S. HRG. 101-333

HOUSING AND SERVICES FOR SENIOR CITIZENS

HEARING

BEFORE THE

COMMITTEE ON THE BUDGET
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ATLANTA, GA
JULY 10, 1989

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CONTENTS

STATEMENTS BY COMMITTEE MEMBERS

Page
Senator Fowler 1

WITNESSES

Bradfield, Richard, American Institute of Architects 66
Lane, Roy, Georgia Association of Housing and Redevelopment Authorities 80
Macklin, Harriet J., housing development specialist, Housing Assistance Council, Inc 94
Nicholson, Frank, regional administrator, Administration on Aging, Department of Health and Human Services 4
Payne, Dr. Barbara, director, Gerontology Center, Georgia State University 40
Robinson, Lithangia, member, State Legislative Committee, American Association of Retired Persons 49
Spivey, Agnes, elderly witness 120
Wilden, Robert, director, Assisted Elderly and Handicapped Housing, Department of Housing and Urban Development 124
Wingo, Rick, manager, Community Support Section, Georgia Office of Aging 121
Zwald Laurie, Georgia Association of Homes and Services for the Elderly 110

ADDITIONAL MATERIAL

Statements:
  Coleman, Ruth H., State director, Green Thumb, Inc 139
  Marchant, Tom, special assistant, U.S. Department of Housing and Urban Development 141
  Older Women's League, Metro Atlanta Chapter 149

HOUSING AND SERVICES FOR SENIOR CITIZENS

MONDAY, JULY 10, 1989

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Atlanta, GA.

The committee met, pursuant to notice, at 9 a.m., in Council Chambers, City Hall, Atlanta, GA, Hon. Wyche Fowler presiding.

Present: Senator Fowler.

Staff present: Tracey Thornton, Counsel for Budget and Appropriations, and Steve Humphreys, Speech Writer.

OPENING STATEMENT OF SENATOR FOWLER

Senator **FOWLER**. Ladies and gentlemen, good morning. Some of you know I spent 4 years as city council president in the days of my misspent youth. I had to break a few gavels here and there, but they remain my fondest memories and I thank the Mayor and the Council for allowing us to hold this public hearing of the United States Senate Budget Committee hearing on the elderly in these magnificent new council chambers.

I am deeply appreciative of those of you especially who came from far and wide, some from Washington and some from across the State to testify before us. We are trying to make a record for the Budget Committee, not only to reflect on what we have done, what we have done well and what we have not done as well as we had hoped, and also to be prepared for the 1991 budget cycle, which begins in about a month as we look at next year's allocations and needs.

I would also, just on a personal basis, would like to dedicate this hearing to the memory of Claude Pepper who was my friend and whose service in Congress showed an unparalleled commitment to the needs of our nation's senior citizens. His record in public service reflected the debt we owe those who went before us to help build the kind of country that we have inherited. How hard we work to repay that debt truly is, I think a test of our best instincts as a people.

I hope that in a small way, addressing the need for housing and supportive services for the elderly here today, that we will carry on the work of Congressman Pepper, who was a valued colleague of mine, as I said, and for many years a devoted friend of us all.

The changing demographics of the United States make this a greater challenge than it has ever been in our history and I am sorry to say that as we recognize the special housing needs of low income people, that we are not as prepared for them as we should be with the senior population growing twice as fast as the rest of the population. A shortage of housing that is decent and manageable for the elderly exists in the context of a larger housing crisis described by decreasing home affordability for all Americans and accompanied by 80 percent cuts in HUD funding in the last 10 years.

If we are going to meet the growing need for assisted housing for the elderly, we have got to get beyond crisis management and develop intelligent policies for housing our older people. Our efforts to do that are deterred by more than funding cuts, as the money we have appropriated has gone into literally a charnel house of political corruption at HUD.

Last week a loan guarantee program for elderly housing was canceled because of blatant abuse. I am disturbed to hear of more program cancellations affecting the elderly that may be on the way. The waste that has been uncovered is inexcusable when so many of our elderly in need of housing assistance are not served. The answer to their needs is certainly not $2100 a month two-bedroom apartments.

With the terrible budget constraints we face, we have got to focus on housing for the elderly who are not well off, who live on a fixed income and have no prospects of becoming upwardly mobile. We have got to build enough housing for them, we have to build it so it meets the needs of the elderly it is meant to serve and we have to ask ourselves how we can make this assisted housing the best long-term investment possible.

There seems to be general agreement that one of the best ways to go about that is to link basic services such as meals, transportation and housekeeping with housing. In spite of this general agreement, no single supportive services program has really taken off and no agency unfortunately, has really wanted to take it on. Yet the record of the small attempts that have been made, such as HUD's congregate housing services program shows that investing in these services can cut government costs by preventing or postponing the day that low-income elderly must be placed in nursing homes.

Based on our recent experience, this is an avenue we cannot afford to neglect. We are already in the middle of a huge controversy over a plan to pay the catastrophic health care costs of senior citizens. And this plan, as you know, did not even address the question of nursing home care. Clearly it is in our interest to keep those costs under control, especially if we can reduce the budget deficit and help older Americans lead more satisfying lives at the same time.

As we approach these issues, we must recognize the diverse needs of low-income elderly. For some, the only option is nursing home care. Many of our older people are managing to take care of themselves to quite a ripe old age, but there are many levels in between of elderly who need some assistance, but maintain a fierce desire to live as independently as they can. Many older Americans need assistance in the form of housing and services but confront great difficulties in getting access to it. This is particularly true, I have found in hearings such as this, in the rural areas of our State and our Nation.

We have an excellent panel of witnesses this morning who can put these issues of housing and services in perspective. I do want to thank the American Association of Retired Persons, the American Institute of Architects, the Georgia Association of Homes and Services for the Aging, the Georgia Association of Housing and Redevelopment Authorities, the Georgia Residential Finance Authority, the Housing Assistance Council and many others who have helped with the preparation of this hearing.

These are very difficult questions to tackle. They are not the kind of issues that grab sensational headlines, but they are the kinds of issues that are important to the lives of millions of people, elderly people, elderly Americans, every day. No one organization or government agency has the solution that will allow our elderly citizens of limited means to live in the comfort and dignity they deserve, even as their ability to do so for themselves diminishes.

We have got to have government programs on all levels coordinating their efforts with seniors and service organizations to produce the kind of housing and services that will give older Americans the opportunity to age in place where they can, in their own homes, with dignity and respect.

If nothing else, I hope our gathering for this morning's hearing will impress on all of us the need to work together if we are going to solve some of these problems that seem so intractable.

I am looking forward to the benefit of the expertise and advice of those of us assembled, on the best way to pool our efforts to meet that goal.

May I invite our first panel this morning to come forward; Frank Nicholson, Dr. Barbara Payne and Ms. Lithangia Robinson. We will hear the testimony from all three and then we will have some questions.

I want to introduce Steve Humphreys of my staff in Washington, who has been with me in my Senate service and who works on these questions with me, and my staff counsel, Tracey Thornton, who is here. Tracey, come on up here, I need a little help with you on some of these questions. She has been with me throughout my entire congressional career and serves as my staff legal counsel as well as a trusted right arm on problems of housing and taxation and the elderly.

We welcome Mr. Frank Nicholson from the Administration on Aging, who has put together a very thorough evaluation of the supportive services available to low-income elderly throughout the country. I do want to ask, and let these fine witnesses here who have done this many times, to do your best to summarize your testimony in 6 or 7 minutes. I will ask my staff to get us a timekeeper here and we will give you some sort of signal and if you can summarize in about a minute, your testimony will be made a part of the record. Only in that way will we leave time for some questions and discussion, which I think will be helpful to us all.

Welcome, Mr. Nicholson.

STATEMENT OF FRANK NICHOLSON, REGIONAL ADMINISTRATOR, ADMINISTRATION ON AGING, DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. NICHOLSON. Thank you, Senator Fowler, I am pleased to have the opportunity to testify here at this hearing today on behalf of Dr. Louis Sullivan, the Secretary of our Department of Health and Human Services, who extends his regrets for not being able to be present because of other commitments.

The focal point for the care of our aged dependent people in our Nation, historically, has been an institutional setting; the almshouse, the homes for the aged, mental hospitals and since the advent of the Medicaid programs in 1965, the expansion of services in nursing homes and intermediate care facilities.

But also in 1965, the Congress brought into law the Older Americans Act, and that program, through the Older Americans Act began placing emphasis for the development of community based programs to assist older people to maintain their independence in their own homes as an alternative to institutional care.

One of the significant purposes of Title III of the Older Americans Act is that of securing and maintaining maximum independence and dignity in a home environment for older individuals capable of self-care with the appropriate supportive services.

Older people value their independence. They want to continue to take care of themselves and be self-sufficient to the fullest extent possible for as long as they can.

Congress, in the tenth objective for older Americans in Title I of the Act, declared that "in keeping with the traditional American concept of the inherent dignity of the individual in our democratic society, the older people of our Nation are entitled to—the free and full enjoyment of the—freedom, independence, and the free exercise of individual initiative in planning and managing their own lives—"

Older people today are living longer. They are healthier and better able to care for themselves for a longer period of time than those in previous generations. This trend is expected to continue. But again is an individual matter and changes can occur in the circumstances and health of an individual, either abruptly or over time.

With advancing years, with the personal and financial losses which may occur along with the decline in health and related circumstances, many older people find that struggle as they may, it is difficult not to become dependent on others if one desires a reasonably satisfying life. At that point in time, previously active and independent older people may reach out to avail themselves of services which may help them to remain self-sufficient.

Old people may face losses in incomes; acute and chronic health problems with increased costs for health care; significant changes in relationships due to the passing of one's spouse and friends; difficulty in driving a car; decreasing ability and interest in caring for one's self, particularly if living alone; and many other changes that themselves bring problems as they attempt to cope with those changes.

We are acutely aware of the difficulties faced by the minority elderly, by older women and by those age 75 and older.

Older people in rural areas also have special and unique needs. In the areas of health, where there are not the existing health services and the number of trained physicians that are necessary. In transportation where those services are often not available to them. In the area of housing where the deterioration of housing and lack of affordable housing alternatives are very real concerns. The isolation of older people in rural communities because of the great sparsity of the people in the geographical areas, this is particularly prevalent in mountain States. And in services, a universal concern about the cost factor for delivery of services in rural areas due to geographic distances.

Older people, when given the choice, prefer services in their community and in the home in preference to being placed in an institution. But obviously for those who require care in an institutional setting, whose circumstances are such that extensive care is necessary, then that is the place for them, and we want quality institutional care.

The frailties and impairments which come with age impede the carrying out of normal activities of daily living. For those not requiring extensive care in a nursing home, a comprehensive and coordinated range of community based services become essential in assisting older people to cope with the challenges and changes in their lifestyles, which would include housing.

Necessity may compel older people to move from their homes to a housing facility where there are fewer demands for upkeep and where there might be a variety of supportive services to assist them in maintaining self-sufficiency.

Federally funded or subsidized housing for the elderly is available through programs such as of the Department of Housing and Urban Development and the Farmers Home Administration for rural communities.

Through the programs in the Department of Health and Human Services and particularly the Administration on Aging, there are a wide variety of services and benefits available to individuals and to groups of individuals that can be supportive in nature. There may be co-location of appropriate services in facilities which house the elderly in some housing projects.

Some of the supportive services might include the health services, screening and evaluation type services, homemaker services, in-home services, congregate meals, home delivered meals, a variety of programs of that kind.

At the service provider level in many communities, and we give examples in the written testimony of where these services are brought together in conjunction with the housing projects. And we also have noted in our testimony of the part that area agencies on aging can play in bringing about a cooperative relationship between service providers and the housing projects, of getting service into those facilities, area agencies having responsibilities for planning and for coordination of services at the community level under the auspices of Federal law and State authority. And those area agencies are designated by the State agencies on aging under the Older Americans Act, such as the Georgia Office of Aging, where at the State level those State agencies have responsibilities for planning, coordination and advocacy for older people at the State level.

Then similarly at the national level, the focal point on aging is the Administration on Aging which has the responsibility at the Federal level for bringing together and working with the various Federal agencies and non-profit agencies as well as to further the quality of life for older people.

And we have had many initiatives in past years; that is, we the Administration on Aging in our department, with HUD in the area of housing and we currently have an initiative related to the reverse mortgages and I think that there exists opportunities now for us to continue to explore together ways in which our respective departments and programs can work together as it relates specifically to improving and expanding the services in the housing facilities for our older people.

It is true, as you say, that there is a terrific change going on in our society with the increasing numbers of older people and we stand today truly at the beginning of an aging revolution. It is—your hearing here today was a timely hearing and it is certainly an area in which we look forward to working together with our other agencies to continue to improve the quality of life for older people.

Thank you.

Senator FOWLER. Thank you, Mr. Nicholson, very much, and your complete testimony, which I have, together with the supporting documents of course, will be made a part of the record, but thank you very much for your testimony.

[The prepared statement and supporting documents of Mr. Nicholson follow:]

STATEMENT

IN BEHALF OF

DR. LOUIS SULLIVAN,

SECRETARY OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

BY

FRANK NICHOLSON

REGIONAL PROGRAM DIRECTOR

ADMINISTRATION ON AGING - REGION IV

BEFORE THE

U.S. SENATE BUDGET COMMITTEE

ATLANTA, GEORGIA

JULY 10, 1989

Senator Fowler, Congressman Lewis, Congressman Jones, and other distinguished Members of Congress:

Dr. Louis Sullivan, Secretary of the Department of Health and Human Services appreciates your invitation to testify here today in Atlanta, his hometown. Due to previous commitments, however, Dr. Sullivan has asked that I extend his regrets to you that he could not personally be here to testify.

I am Frank Nicholson, Regional Program Director of the Administration on Aging for Region IV. I will testify on Dr. Sullivan's behalf concerning congregate and supportive services in housing for the elderly.

The focal point for the care of the aged dependent person in our nation, historically, has been an institution - the almshouse, the homes for the aged, mental hospitals, and since the advent of the Medicaid program in 1965, nursing homes and intermediate care facilities.

The Older Americans Act came into being in 1965. It began placing an emphasis toward development of community based programs to assist older people in maintaining their independence as alternatives to institutional care.

One of the significant purposes of Title III of the Older Americans Act is to -

> secure and maintain maximum independence and dignity in a home environment for older individuals capable of self care with appropriate supportive services.

Older people value their independence. They want to plan and manage their own lives for as long as they can. They want to continue to take care of themselves and to be self sufficient to the fullest extent possible.

Congress, in the tenth objective for older Americans in Title I of the Act, declared that

> "in keeping with the traditional American concept of the inherent dignity of the individual in our democratic society, the older people of our nation are entitled to ... the full and free enjoyment of the...freedom, independence, and the free exercise of individual initiative in planning and managing their own lives..."

Older people today are living longer. They are healthier and better able to care for themselves for a longer period of time than those in previous generations. This trend is expected to continue. But aging is an individual matter and changes can occur in the circumstances and health of an individual, either abruptly or over time.

With advancing years, with the personal and financial losses which may occur along with the decline in health and related circumstances, many older people find that - struggle as they may - it is difficult not to become dependent on others if one desires a reasonably satisfying life. At that point, previously active and independent older people may reach out to avail themselves of services which may help them to remain self-sufficient.

Older people may face losses in income; acute and/or chronic health problems with increased costs for health care; significant changes in relationships due to the passing of one's spouse and friends; difficulty in driving a car; a decreasing ability and interest in caring for oneself, particularly if living alone; the necessity for having to make alternative living arrangements into housing suitable to their changing needs; and related mental health problems brought about by other changes and trying to successfully cope with those changes.

We are acutely aware of the difficulties faced by the minority elderly, older women, and those age 75 and over.

Older people in rural areas have special and unique needs. In April of this year, the AoA-sponsored "National Resource Center on Rural Elderly" at the University of Missouri-Kansas City identified major issues important in the provision of programs and services to the rural elderly in our country. Forty eight States participated in extensive telephone interviews. The rank order of issues related to the provision of programs and services to the rural elderly most frequently identified issues related to:

1. Health: concern from all parts of the country pertaining to the closing of rural hospitals; access to primary care physicians; inadequate or non-existent supply of doctors; physicians not serving medicare and medicaid patients; lack of trained physicians assistants and nurse practitioners; and lack of access to high technology medical services at regional medical centers;

2. Transportation: universal agreement was shared by all states pertaining to difficulties in financing rural transportation for medical and non-medical purposes. The identification and sharing of transportation resources is a dilemma;

3. Housing: more rural states in the Plains and Midwest than other areas identified a significant preference by the older adult to remaining in the "family home." Mentioned more often in farm states - Plains, and Midwest - was the issue of equity in rural homes that cannot be sold, thus holding the older person in his or her place of residence. The reverse was true, however in New England and coastal States where real estate continues to appreciate. The deterioration of housing and lack of affordable housing alternatives were also concerns.

4. Isolation: personal and geographic isolation of rural older persons is an issue across the country but most prevalent in the mountain States.

5. Services: a universal concern was expressed about the "cost factor" for the delivery of services in rural areas due to geographic distance. Outreach as a service for low income and minority persons appears to be a universal concern. Service networks of potential contractors or providers are non existent or underdeveloped.

Older people, when given the choice, prefer services in their community and home to being placed in an institution. Yet for some, because of the extensiveness of the care they require, the nursing home is the proper and most appropriate place of care for them. For those, we want quality care.

The frailties and impairments which come with age impede the carrying out of the normal activities of daily living. For those not requiring extensive care in a nursing home or intermediate care facility, a comprehensive and coordinated range of community based services become essential in assisting many older people to cope with those challenges and changes in their lifestyles.

One of those areas which may require a change in lifestyle is that of housing. Necessity may compel an older person to move from his or her home into a housing facility where there are fewer demands for upkeep and where there may be a variety of supportive and nutrition services provided to enable and assist the individual in maintaining self sufficiency.

Federally funded or subsidized housing for the elderly is provided through the auspices of programs in the Department of Housing and Urban Development and the Farmers Home Administration in the Department of Agriculture.

Through programs in the Department of Health and Human Services, and particularly the Administration on Aging, a variety of services and benefits are provided to older people as individuals, or in groups, depending upon the nature of the service. Such services are available or provided to individuals who reside in housing for the elderly or are available and provided to those living in such housing as they are to any older person in the community. There may be a co-location of appropriate services in the facilities which house the elderly in some housing projects.

When supportive and/or nutrition services are provided to individuals or groups of older people in a housing facility, these are considered as congregate services, although there is no specific program as such in the Department of Health and Human Services.

Congregate living allows older people to maintain their independence in a setting that provides opportunities for mutual awareness and informal social support among residents, and facilitates access to more direct service supports such as meals and housekeeping. Supportive services might include some of the following, most of which can be funded under Title III of the Older Americans Act:

Supportive services may include information and referral; transportation; outreach; escort; counseling; health services; screening and evaluation; friendly visiting; protective services; housing assistance; recreational; continuing education; and legal services. Supportive in-home services include: homemaker and home health aides, visiting and telephone reassurance, chore maintenance, in home respite care, and minor modification of homes.

In many cases the provision of supportive services may be a cooperative effort of different agencies at the Federal, State and Local level. For example, the U.S. Department of Transportation grants Section 16 (b) 2 funds to purchase mini-vans to provide transportation to and from various service areas. The OAA Title III funds are used for operational purposes. The approximate number of persons receiving transportation service in fiscal year 1988 was 5,923,877.

There may be arrangements made for representatives of various programs to meet with groups of older people in congregate facilities. For example, representatives of Social Security, food stamps, or medicaid may talk about those programs. There may be various health screening promotions, health and fitness classes, etc.

Congregate meals may be provided to the participants at sites in senior centers, church space, public housing, elderly high rise buildings and other available areas. Supportive services are generally supplied at the meal sites and in the individual homes. Many congregate meal sites serve meals five days per week. Under Title III they may serve more frequently and more than once a day if the project has the resources and wants to do so. Many volunteers are needed to assist in these programs.

Home delivered meals are served to home-bound individuals in their own homes and are delivered in appropriate containers, i.e., to keep cold foods cold and hot foods hot.

Under Title III, contributions are encouraged in the program. No charge for services is permitted. The Act prohibits the use of a mean test. Contributions, however, are a significant part of service funds and often help in meeting the non-federal matching requirements.

All services under Title III of the Older Americans Act are available to persons age 60 plus. While no economic means test is permitted, non-economic criteria may be used to target services to those most in need.

The Administration on Aging (AOA) is focusing efforts more and more on the vulnerable and frail elderly. Preferences for services are given to those with the greatest economic or social need.

In addition to Title III, Title VI of the Act provides federal funds to the recognized Indian Tribes for supportive and/or nutrition services.

Examples of supportive and nutrition services being provided in in housing for the elderly in several communities across the country are reflected in Attachment A.

Area agencies on aging can be instrumental in developing and implementing plans at the community level which bring about a cooperative relationship between housing and human service agencies for the purpose of assuring supportive and nutrition services in housing projects for the elderly.

Under Title III of the Older Americans Act, State agencies on aging have authority to designate organizations as Area Agencies on Aging in planning and service areas throughout the State. There are over 650 Area Agencies nationwide. Such Area Agencies serve as the focal point for aging in their respective areas. They have authority to develop and implement area plans, approved by the State, and for awarding grants or contracts to local agencies and organizations to provide supportive and nutrition services directly to older people.

As part of their planning and coordinating functions, the Area Agencies can bring together representatives of housing agencies with those representing service providers to assist in arranging for the placement of supportive and nutrition services in congregate facilities in housing for the elderly. The Area Agencies can identify the opportunities for such linkages, establish priorities, develop plans to bring about a coordinated and cooperative effort among the appropriate agencies in the community, and involve such agencies in the implementation of the plan.

Agencies and organizations with a variety of funding can be included by the area agency in its planning efforts. From the housing perspective, these may include those housing projects funded by programs in Housing and Urban Development and the Farmers Home Administration in the Department of Agriculture. In housing for higher income groups, private developers might enter into purchase of service arrangements for services in their facilities.

In addition to the utilization of Title III funds, the Area Agency on aging can involve those agencies which receive funding through the social services block grants, special State appropriations, community services block grants, medicaid waivers, public health, mental health, city, county, and foundations funds.

Examples of such efforts by Area Agencies in different parts of the country are reflected in Attachment B.

Title III of the Older Americans Act is a State administered program. In Georgia, for example, the Georgia Department of Human Resources is the designated State agency on aging with its Georgia Office of Aging having responsibility for day to day operations.

The Georgia Office of Aging, and the counterpart agencies in other States, are the focal points on aging at the State level. Their responsibilities include advocacy for older people and relating to, and working with, other State agencies in planning and coordinating services for older people at the State level. Further, as noted previously, the State agency designates and awards funds to Area Agencies based on approved area plans.

A number of State agencies on aging have given attention to supportive and nutrition services in housing for the elderly. Examples are reflected in Attachment C.

At the national level, the Administration on Aging, in accordance with Title II of the Act, serves as the visible advocate for the elderly within the Department of Health and Human Services, and with other departments, agencies, and instrumentalities of the federal government.

One of the significant functions of the Administration on Aging is coordinating and assisting in the planning and development by public and private organizations of programs for older individuals with a view toward establishing a nationwide network of comprehensive, coordinated services and opportunities for such individuals.

The common purpose toward which the Administration on Aging works with the federal housing programs in the Department of Housing and Urban Development and the Farmers Home Administration is the achievement of the objectives in Title I of the Older Americans Act which include

> "Obtaining and maintaining suitable housing, independently selected, designed and located with reference to special needs and available costs which older citizens can afford;

> "and, efficient community services, including access to low-cost transportation, which provide a choice in supported living arrangements and social assistance in a coordinated manner and which are readily available when needed, with emphasis on maintaining a continuum of care for the vulnerable elderly."

Initiatives which the Administration on Aging has with the federal housing agencies and programs at the national and regional levels vary from time to time. Counterpart State and local agencies are encouraged to work together to achieve the objectives for older people in the communities where older people live.

A current example of an interagency cooperative effort in the housing area at the federal level is the assistance being provided by the Administration on Aging to HUD in identifying and recruiting housing counselors for training in the reverse mortgage program. That program is just now beginning. In the past, the Administration on Aging has provided funding for training of managers in housing for the elderly.

Under Title IV of the Older Americans Act, the Administration on Aging currently funds four demonstration grants targeting the provision of supportive services to elderly residents of public housing. The projects are located in Dallas, Texas; Wilmington, Delaware; Waterville, Maine; and Seattle, Washington. Each of the projects provides subsidized supportive services to the older adult through a voucher system. The focus of each project's proposal is to determine patterns of purchasing behavior by the senior residents (i.e. housekeeping services, personal care services, laundry and bed change services, grocery shopping, transportation/escort services). This process will identify the supportive services needed in the community and demonstrate the value of developing or expanding a coordinated program of supportive services in public housing units for senior citizens. Each project received funding in the amount of $200,000.00 for a period of 36 months.

Progress, therefore, is being achieved in providing congregate and supportive services in housing for the elderly. However, we must be aware of and plan for the demographic changes facing us in the future.

The older population of this country is growing faster than our population overall. The percentage of older people to total population has increased from 4 per cent in 1900 to 12 per cent today. By the year 2025, one in every five Americans will be age 65 or older.

There are more than 30 million older Americans today. That number will double by the year 2025. About 13 per cent of the current elderly are minority. The 85 plus population will more than double - from 3 million to 7 million. That is the group which reports the highest percentage of need for assistance in the home or community - 49 per cent. That group also has the highest percentage of use of nursing home facilities - 22 per cent.

Approximately five per cent of the elderly are currently in institutions. About 15 to 20 per cent require assistance or services. It is estimated that 30 per cent (8.7 million) of the non-institutionalized elderly live alone, about 78 per cent (6.8 million) of those being women. For all practical purposes, it seems that, beyond age 75, old age is a woman's domain.

The greying of America is one of the most significant demographic trends of this and the next century. We stand today at the beginning of an aging revolution.

Expanding congregate services in housing for the elderly will be a challenge and an opportunity for every level of government and with the non-profit and private sector as well.

The Department of Health and Human Services, through the Administration on Aging, will continue explorations into the matter of congregate and supportive services in housing for the elderly.

We will continue to work together with all those who want to further improve the quality of life of older Americans.

Thank you.

Attachment A

CONGREGATE AND SUPPORTIVE SERVICES IN HOUSING FOR THE ELDERLY

ALABAMA

- The Clara Verner Towers in Tuscaloosa, Al., operated by the Alabama Baptist Retirement Center, Inc., and funded through Housing and Urban Development. This is a multi-storied housing complex that 201 units and providing services as congregate meals, home delivered meals, information and referral, transportation, and social services.

- The Carriage Hills Apartments, located in Greensboro, Al., are owned by a private for profit developer that has 48 units. Congregate services are congregate meals, case management, transportation, legal services, escort, personal care, and social services.

- The Pioneer House in Birmingham is owned as a non-profit organization by the Jefferson County Council on Aging. This program was funded from HUD's Emergency Shelter Grant Funds. No Title III funds are utilized. However, a Title V and Senior Aides Program of the Department of Labor is located there. Services provided are congregate meals, case management, transportation, legal services, escort, personal services, and other social services.

ALASKA

- Mountain View Senior Center is attached to Mountain View Senior Housing in a building which is leased from the Alaska State Building Authority. Alaska State Building Authority owns the senior housing as well. Services located in the Senior Center are Senior Day Care, Nutrition Program five days a week, Information and Referral and Outreach, Transportation, shopping assistance. These services are provided through Title III monies and Community Block Grant monies of the Borough and City of Juneau. Homemaker Services are provided through the state contractor for homemaker services from the Department of Health and Social Services. Alaska Legal Services seeks out volunteer Attorneys to provide services to the residents and older people in the community. Division of Family and Youth is helpful in elderly abuse cases. Many of the residents are active in the RSVP program.

CALIFORNIA

- Name: Silvercrest Residence
  Type: 10 story high-rise building
  Location: San Francisco, CA.
  No. Units: 257 (studios & 1 bedroom)
  No. Residents: 290 (singles & couples)
  Mgt. Agency: The Salvation Army
  Funding: Operates under HUD Sec. 236
  No. HUD Sec. 8 supplemented units: 103
  No. City of San Francisco rent supplemented units: 120
  No. Non-supplemented units: 34

  Staffing: Full time administrator
  Full time social worker
  Part time public health nurse (2 1/2 da/wk)

  Title III services (San Francisco AAA):
  Congregate meals
  Home delivered meals
  Case management
  Community Services
  Consumer Services

  This facility operates a congregate dining room which serves 1 meal per day 5 days/wk to 180 residents. The Salvation Army uses the central kitchen of this facility, also, to prepare and deliver meals under contract from the San Francisco AAA to 20 satellite congregate meal sites.

- Name: Steelworkers Foundation Center
  Type: 8 story building complex
  Location: Fontana, CA. (San Bernardino County)
  No. Units: 151 (1 bedroom)
  No. Residents: 182 (singles & couples)
  Funding: Operates under HUD Sec. 202. All units are rent-subsidized under HUD Sec. 8.
  Mgt. Agency: Old Timers Foundation, Fontana, CA.

  Staffing: Full time administrator
  Public Health Nurse (2 da/wk)

  Title III services (San Bernardino County AAA):
  (1) Congregate meals. On site kitchen provides 1 meal per day 5 da/wk to 220 (dining room capacity) participants. This site is open, also, to persons who do not reside within the building.
  (2) I & R.

Other services: Transportation provided with San Bernardino County funds.

The uniqueness of this congregate site is that the chief benefit for residents appears to be the interaction with seniors who live elsewhere but who choose to take advantage of the Title III meals served there and the added opportunity for socialization.

COLORADO

- In Idaho Springs, Colorado, this model housing facility, located in an historic, economically depressed rural mountain area, was made possible through a grass-roots effort by seniors in the community working through city government and in cooperation with HUD and the Area Agency on Aging. Services provided to residents include congregate and home delivered meals, homemaker services, a

  ceramics workshop, dental services, podiatric services, a hearing clinic, health screening, transportation for twice weekly grocery shopping, and a very profitable gift/clothing shop. This facility has been cited for its innovative development, extraordinary volunteerism, and as an example of an excellent community focal point. It is a prime example of congregate services in housing for older adults provided in a community setting which reflects the pride, independence and interdependence of its people.

FLORIDA

- The Georgia Bell Dickinson Apartments in Tallahassee is a 12-story HUD complex with 149 units (100 efficiency and 47 one-bedroom) for the elderly. Many of the residents have been there since it opened in 1972 and are now in their 80's. As these residents age in place, the need for services has increased.

  The facility has a congregate meal site that is also used for educational activities/programs and social/recreational activities. OAA Title III funds are used for congregate meals, weekly shopping assistance services, and some of the meal site activities (minimal).

  RSVP (ACTION funds) has an active group of volunteers made up of complex residents, who are frequently involved in community projects for non-profit organizations.

Community Care for the Elderly (Florida General Revenue funds for services for frail elderly) provides medical transportation, personal care services (bathing, etc.) homemaker services, and shopping. It is noteworthy that a resident of the complex serves as the Meal Site Coordinator, Social Director, and works for the Senior Society Planning Council. Because of her high level of involvement with residents she often provides information and makes referrals for services. It is also worth mentioning that without OAA Title III funds, the quality of life at Dickinson would be greatly diminished.

KANSAS

o Orchard House, Wichita, Kansas is an effort of Kansas Alternatives for Senior Housing, a program of the Kansas Elks Training Center (KETC). This small shared group residence is owned by Health Concepts Foundation in cooperation with KETC and the Sedgwick County Department on Aging. It houses older persons who are able to attend to all personal care needs. The Orchard House is located one block from the Orchard Park Senior Center, which provides educational, recreational and social activities. The agency sponsor collects rent and pays the housekeeper's salary

NEW YORK

o The Rensselaer County Housing Authority operates a number of Senior Housing facilities throughout the County. Fully integrated Kennedy Towers, located in the City of Troy, has some 265 units, and serves an older frail population. It is an example of "best practice" for services provided in congregate housing.

The Housing Authority leases an entire floor to the County Office for Aging for $1.00 per year. The office provides a full range of services including transportation, congregate and home-delivered meals, recreation, legal services, employment counseling. In addition, their is a nursery office that routinely provides glaucoma, blood pressure screening and podiatrist services.

Funding for these programs comes from Title III, State and local funds.

OREGON

Willson House, Salem, Oregon (50 units) is sponsored by the United Methodist Retirement Center which used State Tax-exempt Financing to build Willson House. This money is from a state bond issue which loans money at 200 base points below market interest for 40 years on 85% of the value of building. Units rent for between $800-$1000 per month which includes three meals a day and housekeeping services. Three meals, housekeeping services, help in scheduling the taking of medications, activities, and transportation are available to the residents. However, a unique feature of the program is the location of a child day care center in a portion of the building which serves 20-30 children. The older residents volunteer their services at a scheduled time, as well as on a drop-in basis.

PUERTO RICO

- Club de Oro, a public housing project in Caguas was established after a needs survey was conducted by the Caguas Area Agency. It provides a variety of services including Title III home-delivered meals to the entire Caguas community plus supportive services to homebound and serves as a regional focal point.

- SAN GERMAN HOPE CENTER, a public housing project in the Mayaguez Area Agency. Provides good comprehensive system of care. Area Agency identified resources in the area enabling the San German center to provide services 7 days per week.

  The center operates a laundromat for use by residents of housing projects that do not have laundry facilities. Prices are held to a minimum. Any profit is used to expand services at the center.

TENNESSEE

- The Memphis (Tennessee) Housing Authority has four high-rise congregate facilities for the elderly which provide the following services:

  Homemaker Services (at all four sites with Title III funds)

  Congregate meals (at three of four locations with Title III funds)

  Certification for food stamps (at all four locations with funds from the State Dept. of Human Services)

Transportation (at all locations with funds from the Housing Authority)

Student Resident Program (utilizes graduate students in health professions from the University of Tennessee School of Medicine, and students from the Southern College of Optometry)

Special programs (blood pressure screening, free eye screening, exercise sessions, diet planning presented by a private home-health agency).

WASHINGTON

- Lilac Plaza is a HUD 202 building in Spokane. The building includes a library and a store in addition to recreation, common areas. Services provided include in-home nursing care which is given by last year student nurses through the Inter-Collegiate Center for Nursing Education sponsored by four cooperating universities in the area. Foot care is provided by the Visiting Nurse Service through funding from United Way. The Senior Health Screening Program is funded by Title III.

Attachment B

EFFORTS OF AREA AGENCIES ON AGING RELATED TO CONGREGATE AND SUPPORTIVE SERVICES IN HOUSING FOR THE ELDERLY

CALIFORNIA

- The San Francisco AAA provides the best example of planning, advocacy and coordination of services involving local service providers in providing, e.g., home delivered meals to residents of congregate housing facilities who happen to be fully or partially homebound:

  > A clearinghouse was established in 1984 to provide central intake, referral and prioritized waiting lists for home delivered meals for persons 60 years of age and older in San Francisco. Meals on Wheels, the major home delivered meals provider, administers the program under contract to the AAA and coordinates operations with nine smaller home delivered meals providers. Although the clearinghouse may receive requests for service from any person or organization the AAA has placed emphasis on encouraging referrals from hospital discharge planners.
  >
  > The AAA has arranged that the clearinghouse take all requests for home delivered meals at one telephone number/location, refers all requests for home delivered meals to the appropriate provider, initiates and maintains a central waiting list that is prioritized according to a uniform set of criteria and follows up to insure that clients who have been referred for services do in fact receive the services. This is important especially in housing complexes (San Francisco has 121) where health practitioners are not on site on a daily basis. Whenever possible, ethnic clients are given referrals to ethnic home delivered meals programs

FLORIDA

- The Hillmont Gardens in Ft. Lauderdale (since 1987) is a 4-story complex with 123 units--26 efficiency, 4 handicapped efficiency, 84 one bedroom, and 9 one bedroom handicapped. It was HUD 202 funded as a result of the local AAA's efforts for low income elderly.

There is no congregate meal site, as most of the residents are independent and self-sufficient. When the complex opened, residents had the option to have a meal site, but voted not to. There are 2 sites close by and 6-8 residents utilize them. There are also home delivered meals to 10-15 residents. There are some residents who have homemaker services on an as-needed basis (Title III funds). There is a "MEDI-VASN" service for all residents which is a AAA offshoot and is staffed by volunteer nurses and physicians, as well as a visiting optometrist and podiatrist (paid by Medicaid or privately). The State of Florida has an aging services counselor who comes once a week for a residents' "rap" or services on an as-needed basis (funding same as optometrist/podiatrist

INDIANA

o The East Central Towers Housing Complex at 915 East Washington Boulevard in Fort Wayne, Indiana was built approximately 10 years ago by a private developer with HUD Section 8 funding. Two high-rise buildings contain more than 150 apartments for senior citizens and handicapped persons most of whom are minority individuals. In the late 1970's the private developer contacted the Northeast Area III Council on Aging, Inc., (the AAA for the Fort Wayne Area) to discuss his plans and the possibility of a meal site and services to the residents. As a result, the construction included a fully equipped kitchen and meal site which currently serves 50 meals per day in addition to a number of home delivered meals to complex residents who are too ill to come down to the site. The meals programs are funded with Title III monies. Indiana Social Services Block Grant funds supplement Title III to provide a variety of services to complex residents such as homemakerservices, transportation and home health aide services. The AAA has a case manager assigned to the complex and a portion of her caseload is comprised of the residents. Currently, the Area Agency and the East Wayn Street Center (located across the street from the complex) have begun a coordinated effort to enroll older persons in public benefit programs (e.g., SSI, Food Stamps) for which they are eligible.

The AAA has conducted public hearings for its area plan on aging at the housing complex and has supported the formation of a tenant council. The AAA has made arrangement for the Governor's Healthy Older Persons Project (supported by SSBG funds) to conduct their activities at the housing complex.

IOWA

- Crown Colony, LaMoni, Iowa is a 64-unit complex constructed with FmHA Section 515 Rural Congregate Housing Program funds. The Area XIV Area Agency on Aging funds and/or coordinates many of the services available to residents.

  Services offered at the Crown Colony include congregate meals, housekeeping assistance, personal care and transportation programs, as well as wellness, educational and recreational programs.

LOUISIANA

- The East Baton Rouge Council on Aging, Inc. (Area Agency on Aging) provides congregate services to four (4) senior housing complexes throughout its PSA. These housing facilities are owned and operated by various non-profit organizations. The facilities range from 75 units to 250 units. Services vary by length and need, however, at any given time some of these residents are receiving meals, transportation, homemaker, health screening, escort, information and referral, case planning and counseling services. The area agency works closely with local doctors and hospitals and accepts referrals from them. They also work closely with the local housing authority. These services are funded with a combination of State revenue, local and Title III-D dollars.

MONTANA

- In Conrad, Montana, an 85-unit HUD public housing complex is offering rent subsidized units for the elderly and provides a variety of services to the residents. Services include congregate and/or home delivered meals twice a day seven days a week, homemaker/home health services, tax preparation, health screening, and transportation to medical appointments and for shopping. The North Central Area Agency on Aging located in Conrad has been instrumental in arranging for this array of comprehensive services for the residents of this housing facility. One of the unique aspects of this situation is that when the AAA was working to assure that nutrition services were adequate, the needs of the entire community of Conrad were considered. As a result, all of Conrad's older population has access to meal service seven days a week.

Attachment C

EFFORTS OF STATES AND/OR AREA AGENCIES ON AGING IN ADVOCATING FOR CONGREGATE AND SUPPORTIVE SERVICES IN HOUSING FOR THE ELDERLY

CALIFORNIA

- "A bill (SB-1455) has been introduced in the California State Legislature which would require the California Department of Aging to establish a Congregate Housing Services Demonstration Program, with specified goals, whereby the Department is required to provide grants for up to four (4) sponsoring housing agencies for congregate housing programs to provide service coordinators for frail elderly persons 60 years of age or older or functionally impaired adults. This bill would require the Department to submit interim and final reports concerning these programs to the legislature, as specified."

DELAWARE

- Under the Department of Health and Social Services' 5-year Delaware State Plan for LTC Services to the Elderly, the Division of Aging was assigned lead responsibility for developing housing options for older persons. In fulfillment of one of those objectives (to develop supportive services in congregate housing facilities), the Division of Aging instituted a congregate meals program in a number of senior citizen housing complexes throughout the state.

  The Division also convened a task force to develop additional supportive services in housing complexes managed by the Wilmington Housing Authority. The result has been the implementation of a number of supportive services in six (6) of Wilmington's senior citizen high-rise apartments, including health screening provided by the Visiting Nurse Association and student interns from the University of Delaware's College of Nursing.

  In an attempt to expand housing options for older persons, the Division of Aging explored a number of possibilities for establishing a housing counseling center. This counseling center is now in operation with a statewide telephone number.

MARYLAND

- The Maryland Sheltered (Congregate) Housing Program has proven to be a cost effective method of housing those elderly who cannot live independently and for whom nursing home care is either not available or inappropriate. At an annual cost to the General State Fund of approximately $1,400 per person, this level of care compares favorably with other levels of care. The Maryland Office on Aging has an agreement with HUD and the HUD building contractors to set aside 20% of the units in the senior citizen high-rise apartment buildings for elderly who cannot live completely independently but need some additional services to allow them to do so.

  Until now, the State Office on Aging was in a position to approve all requests for sheltered housing programs which could conform to program standards. Applicants filed requests with the Maryland Office on Aging for sheltered housing operating subsidies immediately after receiving a firm commitment from the financing authority. At this time, the State Office on Aging is attempting to target new resources to those areas of the state not adequately served by the Sheltered Housing Program. Commitments are made on the basis of geographic location, need for sheltered housing and site availability. Presently, there are 1000 units of sheltered housing in 38 facilities.(It is said that there are only 2000 units of HUD congregate housing nationwide.) The program offers three meals a day, housekeeping and personal care services when necessary. In FY 1990 a customized package of services that fit the individual elderly person's need will be offered in four building located in different areas of Maryland.

  Maryland state legislators receive many calls from the elderly living in HUD high-rise facilities concerning the lack of fair treatment by the managers of these facilities. As a result, the Maryland Office on Aging is currently conducting training sessions for the managers.

  This is three and half days of intensive training about the elderly and their need for additional services as they age in place. HUD has agreed to pay for this training out of administrative costs.

  Increased demand for new sheltered units has not been confined to the apartment-based model. With the reduction of federal housing construction dollars, the Maryland

Office on Aging has taken the initiative to establish other types of facilities, such as single family homes, in order to expand statewide the number of sheltered units available to the frail elderly.

Currently, there are 204 beds in 77 certified single family sheltered facilities accommodating from four to fifteen residents in each home. Interest in future development of this housing model has been demonstrated by numerous requests for single family sheltered housing certification.

The monthly fees for the homes range from $500 to $900 per month, with a subsidy provided. Through a cooperative effort between the Maryland Office on Aging, Area Agencies on Aging and local regulatory agencies, this program is administered and monitored at minimal cost to the State.

For many elderly persons, a gap still exists between sheltered housing and nursing home care caused by the demands for services in excess of what sheltered housing can provide. The Maryland Office on Aging plans to initiate programs in Montgomery and Washington Counties for a more service-intensive housing program which addresses the needs of the older, frailer, sheltered resident who is dependent on a more protective housing arrangement. Services will include 24-hour non-medical supervision in order to assist the very frail to remain in the community. This program will be funded through a coordination of local, state, and federal funds and will be distributed by a formula on the basis of the resident's income and need.

MINNESOTA

o In Minnesota, a significant number of elderly live in or around communities of under 15,000. The Minnesota Board on Aging decided to create a public/private collaboration that would examine these issues and find ways to remove the barriers preventing development in the smaller to medium size communities in Minnesota.

The overall design and implementation of the project was directed by the CHAMP steering committee, a group of state and local government representatives, consumer advocates, and private specialists. As an outgrowth of the project, the private development team created a guidebook, useful to smaller communities interested in congregate housing. This is not a "how to do" guide but a practical review of the numerous activities that must be carried out in a coordinated manner in order to be successful.

Some general conclusions were as follows:

-Each development takes on characteristics that reflect the people, neighborhood or community for which it was designed.

-The goal is to create a range of environments that supports the variety of life styles appropriate to older persons.

-The way in which a community is involved in the design and development process often makes a difference in acceptance

-Market analysis can not be ignored. Smaller projects will have a longer rent-up period and a study will help ensure that adequate financing is acquired to fund this period

-Congregate housing can be a significant part of the economic development of the area. It provides not only construction jobs but a number of ongoing jobs and serves to retain capital in the community. It may attract new people to the community.

-Congregate housing can be a complementary facility to a community hospital or nursing home, helping both stay in operation as the community provides a more complete array of geriatric services. In spite of studies to the contrary which discourage location close to medical facilities, such facilities have high status in many communities. Co-location may actually enhance occupancy.

-A great deal of effort must go into the promotion of a congregate project . The concept is new in many communities where even apartment living as an alternative as an acceptable life-style has not caught on. Movement from the family home to an apartment is seen as an inability to cope with normal activities.

This project was conducted in cooperation with four communities in Minnesota that were interested in developing congregate housing.

NEW JERSEY

- The New Jersey Congregate Housing Services Program (CHSP) was established in 1982 as a result of the passage of the state's Congregate Housing Services Act of 1981. The Congregate Housing Services Act fills a gap in the housing continuum between independent living and institutionalization for those senior citizens who do not require highly intensive support systems yet cannot maintain a totally independent lifestyle.

  The Congregate Housing Services Program provide a supportive services program to low-income frail older people living in subsidized housing facilities; in order to avoid premature institutionalization in nursing homes or similar medically oriented facilities. Under the program the following services are provided:

- One/two meals per day served in a congregate setting, for an average of 30 meals per month;

- An average of 4 units a month of personal care services, including assistance with dressing, bathing, hair washing, assistance with shopping, escort services;

- An average of 4 units per month of light/heavy housekeeping services, depending on the needs of the participants.

The cost to the participant for these services is on a sliding scale, based on income.

Eligible sponsors are nonprofit or limited dividend housing sponsor, owner, entity or individual, or any municipality, county or public authority constructing, maintaining or operating a congregate housing facility under a federal low or moderate income housing program, under a New Jersey Housing Mortgage Finance Agency program or under other programs for low and moderate income occupancy.

The CHSP is funded entirely with Casino Revenue Funds and is administered by the New Jersey Division on Aging through grant agreements with housing sponsors. The New Jersey Division on Aging works with the local housing sponsors in the development, coordination and monitoring of supportive services programs in these projects.

In state fiscal year 1988, $1,850,000 was appropriated for the program. Currently there are 60 funded projects located throughout the state.

NORTH CAROLINA

- The North Carolina Division of Aging will hold its Fourteenth Annual Training Conference on Aging, November 14-17, 1989 in Greensboro, North Carolina. The theme for this year is "Agendas in Aging - New Tools for Tomorrow." One of the major focuses will target providing housing managers with coping skills and mechanisms when working in congregate housing settings.

PUERTO RICO

- As a result of consultation and negotiations between the Puerto Rico State Agency on Aging and the Puerto Rico Department of Housing, and subsequent Area Agency involvement, 16 multi-purpose centers were established in public housing facilities. Sources of funding are Title III, state funds, local funds from municipalities, private sector, voluntary participant contributions, and fund raising activities. The Department provides the housing facilities, and in some areas power and water are also supplied.

  They are operated by the PR Department of Housing. There are 1797 participants.

  Services provided include congregate meals, home delivered meals, health services by nurses, consumer nutrition education by nutritionists, transportation, shopping assistance, social and recreational activities, arts and crafts.

WISCONSIN

- The Wisconsin Bureau on Aging, at the request of the State housing authority, conducted a series of training session for housing managers over a period of three years. In these sessions the housing managers learned about issues affecting the elderly and their special needs. The managers also received information about the statewide aging network and the services available to older people in the community.

Senator **Fowler**. Next we have Dr. Barbara Payne, Director of Gerontology at Georgia State University, to provide some insight into the needs of our senior citizens and the magnitude of those needs.

Welcome, Dr. Payne.

STATEMENT OF DR. BARBARA PAYNE, DIRECTOR, GERONTOLOGY CENTER, GEORGIA STATE UNIVERSITY

Dr. **Payne**. Thank you, sir. Since you have introduced me, then I can say to you how grateful we have been in the Atlanta community and in Georgia for the support that you have given to older persons throughout your history of public service. Your messages from your offices have been some of the best that we have received and could utilize in helping persons in our community. Thank you for your service.

Senator **Fowler**. Thank you, Dr. Payne. As long as you are being so kind, please pull that microphone a little closer to you, so everybody out there can hear you.

Dr. **Payne**. OK, is that better?

Senator **Fowler**. That is better.

Dr. **Payne**. I am Barbara Payne and I am the Director of the Gerontology Center at Georgia State University and I would add, I am one of those old people, spelled one word, who is also going to try to live and age in the community.

Senator **Fowler**. Hear, hear.

Dr. **Payne**. I will be 70 on Christmas Day.

Senator **Fowler**. Well let us know your secret before you complete your testimony.

Dr. **Payne**. I am proud of that.

I have discussed my testimony on housing and related service needs of the elderly with our staff person who specializes in housing, Barbara Thompson; with Cheryll Schramm of the Atlanta Regional Commission; with J. Scott Houston, Jr., President of Wesley Homes; Anita Beatty of the Atlanta Task Force on Housing and some of my responses reflect that.

My opening statement focuses on present trends and implications for the future from the perspective of a social scientist.

Basic population trends of increased life expectancy and the burgeoning proportion of the population over the age of 65 are familiar to most of us, almost ad nauseam. As the baby boomers age, this change will be even more dramatic. The age structure changes of persons over the age of 65 are the focus of much attention. However, more recent attention has been on predictions that from 1990 to 2010, those in the age group over 85 will increase four times faster than the general population. The only other age group increasing as fast are those 35 to 44 who are those who will soon be our future aged. Our concern for this hearing is with the implications of these changes for housing, services and related needs of the aging population and for Federal fiscal policy and programs now and in the future.

A review of demographic changes can lead us astray. What is needed is an analysis that takes into account the heterogeneous nature of the older population, the way persons age differently, and the fact that chronological age is not the only basis for determining needs.

When the over 65 age group is analyzed by age group or cohorts of 65 to 74; 75 to 84; 85 to 94 and 95 and over, we begin to understand the effects that differences in life experiences, including work, education, health, socio-economic and other societal factors have on current and future needs of this important diverse group in our population.

To the wide variation we must add those who are 35 to 64, who represent the expanded future aged population. How these future older persons differ in health, education, work and lifestyles must be taken into account. When we do so, we are responding to the present and future needs of over half of the United States population. The paramount implication is that there is no one program or policy that is going to provide the answer to our inquiry.

In terms of housing and service needs, most older people own homes—own their own homes, and do so more than any other age group in the population.

There are racial differences among elderly home owners. For example 73 percent of the white elderly own their homes; 61 percent of black elderly and 55.8 percent of hispanic.

A recent report by Harvard's Joint Center for Housing Studies reports that ownership among persons over 65 has increased from 72 to 75 percent in 1988. At the same time, households headed by persons 25 to 34 years of age had decreased from 52.3 percent in 1980 to 43.3 percent in 1988. These data require a period and intergenerational understanding of housing needs and services.

For example, housing ownership is related to the market and to government policy, not age. The over 65 age group bought their homes 20 to 40 years ago when interest rates were low and there were government incentives to purchase homes, such as VA and FHA loans. These are the homes that the baby boomers grew up in. These loans are no longer the viable incentives that they were. The delay in home ownership by younger persons is not an age issue, but is related to the market, to interest rates and to supply and demand. Older persons do have the advantage of accumulated equity in their homes, but they face the same market constraints if they purchase a house at current market prices.

Many older persons, however, do not own their homes. Twenty five percent at least rent and spend 35 percent of their income on their rental housing. Elderly women living alone spend approximately 50 percent of their income on rental housing. This reinforces the need for continuation and increases in housing subsidies.

Another group of older persons fall into the homeless category. These are older persons who live in marginal conditions and may be intermittently housed. They generally lack social resources of family or friends to which they can be referred. Many older people who would be termed homeless are treated in addiction or mental illness institutions.

Housing is not always an asset, it can be a burden. Housing costs are being driven up by taxes, rising utility bills, higher home repair costs and insurance. Most older people live in houses that have aged with them and may be deteriorating and in need of expensive repairs. Nationally, housing of older Americans is generally older and less adequate. About 30 percent of homes owned by older persons were built before 1940 and are classified as inadequate. Thirty percent of all Americans 65 and older live in rural areas and are twice as likely to live in substandard housing. The problems of help to the poor in rural areas is not rental but subsidized housing.

In Georgia, 48 percent of the houses owned by older people have no central heat; 5.6 percent lack complete plumbing and 4.5 percent lack a complete kitchen.

The increase in the numbers and differences among older persons requires a variety of options. These range from aging in place to age-specific housing, retirement facilities and levels of long term care. Those moving into age-specific housing are moving at an older age. In the 1970s they moved at 72, now it is in the mid-80s. The increase in the number of frail elderly persons increases the need for special living support. Mr. Nicholson has already referred to services and I will skip that part of my testimony and say that there is a need for a national housing plan that takes into account a range of income levels and a variety of housing preferences. Such a plan calls for age-sensitive housing. For example, more one-level housing and smaller homes with adaptable interiors to accommodate us as we change over the life course.

New services for home maintenance that are safe, reliable and affordable are essential to aging in place. These services may be developed by government program incentives to private providers and non-profit groups.

In terms of financing—and I have skipped a portion of this—we need to point out that tax exempt bonds are an important means of financing housing for the elderly built by not-for-profit organizations. The cutback of the HUD funds over the past 8 years and the HUD scandals make these bonds even more important. A detailed statement of this financing issue has been prepared by J. Scott Houston and is attached to my statement.

In conclusion, our current fiscal constraints require new and innovative ways to meet the housing and related services needs for a heterogeneous and growing older population. This requires researching new models of construction, community adaptation and personal and public financial plans and incentives. Education and training of service personnel and professionals in multiple fields is required. The outcome will lead to natural occurring multi-generational communities.

Thank you.

Senator **Fowler**. Thank you, Dr. Payne, very much, not only for the thoroughness but for the demographic analysis which I know took a lot of work which will be very helpful.

[The prepared statement of Dr. Payne follows:]

Senate Budget Hearing
Senator Wyche Fowler, Chair
July 10, 1989
Atlanta, Georgia

Introductory Statement
of Barbara Payne, Ph.D.
Professor of Sociology and Director of
the Gerontology Center, Georgia State University
Atlanta, Georgia 30303

Mr. Chairman, I want to thank you for the opportunity to appear before this committee and to offer a statement on housing and related service needs of the elderly. I have discussed these needs with our staff housing specialist, Ms. Barbara Thompson; Cheryll Schramm of the Atlanta Regional Commission's Aging Section; and J. Scott Houston, Jr., President of Wesley Homes, Inc.

In my opening statement I will describe briefly some housing and related service needs of the elderly. The focus is on present trends and the implications for the future from the perspective of a social scientist.

Basic population trends of increased life expectancy and the burgeoning proportion of the population over the age of 65 are familiar to most of us. As the Baby Boomers age the change will be even more dramatic. The age structure changes over the age of

65 are the focus of much attention. However, more recent attention has been on predictions that from 1990 to 2010 those in the age group over 85 will increase four times faster than the general population. Our concern for this hearing is with the implications that these changes have for housing, services and related needs of the aging population and for federal fiscal policy and programs now and in the future.

A review of demographic changes can lead us astray. What is needed is an analysis that takes into account the heterogeneous nature of the older population, the way persons age differently, and the fact that chronological age is not the only basis for determining needs.

When the over 65 age group is analyzed by age group or cohorts of 65-74; 75-84; 85-94; and 95 and over, we begin to understand the effects that differences in life experiences, including work, education, health,, socio-economic and other societal factors, have on current and future needs of this most diverse age group in the population.

To the wide variation among older adults currently over the age of 65 must be added the 35 to 64 year old groups who represent the expanded future aged population. How these future older persons differ in health, education, work and lifestyles must be taken into account. When we do so, we are responding to the present and future needs of over half of the U.S. population. The paramount implication is that there is no one program or policy that is going to provide the answer to our inquiry.

Housing and Service Needs.

More older people own homes than any other age group in our population. A recent report by Harvard's Joint Center for Housing Studies reports that home ownership among older people (households headed by persons 65 and older) increased to 75 percent in 1988. At the same time, households headed by persons 25 to 34 years of age had decreased from 52.3 percent in 1980 to 43.3 percent in 1988. These data require a period and intergenerational interpretation to understand housing needs and services.

There are racial differences among elderly home owners--73.5 percent are white; 61.1 percent are black; and 55.8 percent are hispanic.

Home ownership is related to the market and to governmental policy. The over 65 age group bought their homes 20 to 40 years ago when interest rates were low and there were government incentives to purchase homes, such as VA and FHA loans. These are the homes of the Baby Boomers' parents. These incentives no longer exist. The delay in home ownership is not an age issue, but is related to the market, to interest rates and to supply and demand. Older persons do have the advantage of accumulated equity in their homes, but they face the same market constraints if they purchase a house at current market prices.

Many older persons do not own their homes. Twenty five percent, at least, rent and spend 35 percent of their income on their rental housing. Elderly women living alone spend approximately 50 percent of their income on rental housing. This reinforces the need for continuation and increases in housing subsidies.

Another group of older persons fall into the homeless category. These are older persons who live in marginal conditions and may be intermittently housed. They generally lack social resources of family or friends to which they can be referred. Many older persons who would be termed homeless would be treated for addiction or mental illness.

Home Ownership as a Burden.

Housing cost are being driven up by taxes, rising utility bills, higher home repair costs and insurance. Most older people live in houses that have aged with them and may be deteriorating and in need of expensive repairs. Nationally, housing of older Americans is generally older and less adequate. About 30 percent of homes owned by older persons were built prior to 1940, and 80 percent are classified as inadequate.

In Georgia, 48 percent of the houses owned by older people have no central heat; 5.6 percent lack complete plumbing; and 4.5 percent lack a complete kitchen.

Alternative Housing.

The increase in numbers and differences among the elderly requires a variety of options. These range from aging in place (in the current home or in a home in the community) to age-specific housing, retirement facilities and levels of long term care. Those moving into age-specific housing are moving at an older age. In the 1970's the average age of entry was 72; in 1989 it is in the mid-80's. People are aging in place longer. This trend can be expected to continue as more older persons opt to age in place. The increase in the number of frail elderly persons increases the need for special living arrangements and support services. This will require that current housing be adapted and supplemented with affordable support services provided by government programs and by private and non-profit agencies. Some exemplary programs are the Electrolux program for easy home maintenance; the Friend of the Family Program for a variety of helping services; and Older American Act programs, such as "home repair," "homemaker," "chore" and others. Home health care services may delay indefinitely institutionalization for a larger portion of the older population. Furthermore, these services may be cheaper than construction of congregate housing and could enhance quality of life.

New Construction.

There is a need for a national housing plan that takes into account a range of income levels and a variety of housing preferences. Such a plan calls for age sensitive housing. For example, more one level housing and smaller homes with adaptable interiors to accommodate the support needs of older persons.

Services.

New services for home maintenance that are safe, reliable and affordable are essential to aging in place. These services may be developed by government program incentives to private providers and non-profit groups.

Community services by governments and private enterprise need to provide safe recreational areas, shopping, walking and transportation. Transportation systems need to be improved to accommodate transport of the disabled and non-drivers to doctors, retail shopping and recreational/cultural activities.
Housing or shelter is not enough, whether it is single family housing or congregate housing. It needs to include the appropriate support services for daily living.

Financing of housing.

Tax emempt bonds are an important means of financing housing for the elderly built by not-for-profit organizations. The drastic cutback in HUD funds over the past eight years and the HUD scandals currently being uncovered make such bonds even more crucial for non-profit groups who want to provide housing for the elderly. A detailed statement of this financing issue has been prepared by J. Scott Houston, Jr., President of Wesley Homes, Inc., and is attached to this statement.

In our current fiscal constraints, new and innovative ways must be found to meet the housing and related service needs for a heterogeneous and growing older population.

Senator FOWLER. Last, but not least, is Lithangia Robinson who today is representing the American Association of Retired Persons, though I am sure she could have had her pick of almost—a wide array of community organizations to represent since she has been so active in our community as an advocate for the elderly.

Welcome, Ms. Robinson.

STATEMENT OF LITHANGIA ROBINSON, MEMBER, STATE LEGISLATIVE COMMITTEE, AMERICAN ASSOCIATION OF RETIRED PERSONS

Ms. ROBINSON. Thank you so much, Senator Fowler, and I too would like to applaud you for your dedication and commitment which you have rendered to us from the Council to the House of Representatives and now as we worked hard for you to represent us all over the State.

Senator FOWLER. As Jesse says, I am on the way from the outhouse to the White House. [Laughter.]

So I am glad to be back to my roots, but thank you very much.

[A child approaches.]

Senator FOWLER. Oh, look there. What is your name?

A CHILD. Andrea.

Senator FOWLER. Thank you, Andrea. They have improved the service since I was city council president. [Laughter.]

Ms. ROBINSON. Mr. Chairman, I am Lithangia Robinson, member of the Georgia State Legislative Committee of the American Association of Retired Persons, referred to as AARP. We appreciate your personal interest in elderly housing issues as a member of both the Budget Committee and the VA-HUD-Independent Agencies Appropriations Subcommittee.

The press reports of scandal at the Department of Housing and Urban Development make it all the more urgent that we seriously re-examine housing policy at this point. AARP applauds the recent action by Secretary Kemp to clean up past abuses and to place housing programs on a more sound basis for serving our Nation's neediest citizens.

Between 1980 and 1987 the number of Georgia residents over 65 grew by more than 20 percent. Georgia's elderly have one of the Nation's highest poverty rates—over 25 percent. Poverty is particularly acute among the State's large rural and minority populations.

To fully meet the needs of these people will require expanding the mission of the Nation's housing programs beyond the bricks and mortar to address the supportive housing needs of the Nation's older citizens.

As our long term care policies move away from institution-based toward home and community based alternatives for each of these populations, housing policies must play an increasingly important role in ensuring that suitable housing and social services opportunities are in place.

Historically, the most successful model for meeting the housing needs of older and disabled persons has been the Section 202 Program. As of November 1988, there were 4692 units of Section 202 housing in Georgia, 1045 units of these which were in non-metropolitan areas.

AARP's goals for Section 202 reforms may be summarized as follows:

To increase the total number of new units of elderly and handicapped housing;

To improve the design, quality and marketability of houses produced under the program;

To reform the current redundant financing structure of the Section 202 program;

To encourage the development of larger projects offering greater economies of scale for project operation and service provision;

To enhance the provision of supportive services to frail and disabled tenants; and

To use Federal assistance to low-income persons to leverage projects serving a greater income range.

Unfortunately, budget cuts have dramatically reduced the production level under the program from 20,000 units per year in the late 1970s to 9,500 units in fiscal year 1989. In addition to restoring the number of units funded under the program, Congress should direct HUD to move the thousands of projects languishing in the constructive pipeline into production in a timely manner.

The Congregate Housing Services Program was enacted in 1978 to provide non-medical services to an increasing number of frail, older and disabled persons in federally assisted housing. The program currently operates at sixty Section 202 and public housing sites nationwide, none of which exists in Georgia. Despite the success of the program, no new sites have been added in the program since 1983.

AARP urges Congress to expand the provision of services in federally assisted housing, using the Congregate Housing Services Program as a model.

AARP strongly supports the targeting of rental assistance to promote independent living among frail older and disabled persons. A recent study by the ABT Associates found that vouchers were particularly successful for older persons who wanted to remain in their apartments. Under such circumstances, vouchers successfully allowed the renters to age in place with dignity and independence in a home of their choosing.

Supporting older and disabled people who want to continue to live independently in the community is a prime example of how rental assistance can play a role in the provision of community-based long-term care.

While home ownership rates are high among rural older Americans, so are the rates of living in substandard housing.

To address the needs of rural older Americans, AARP advocates the strengthening of the Farmers Home Administration program. For renters, multi-family rental housing under Section 515 should be increased and services integrated at sites for older people. The home repair grant program should be greatly expanded to serve more older homeowners.

AARP is very concerned about the potential impact of the loss of current federally assisted housing stock due to mortgage prepayment, rental assistance contract expiration and the deterioration or sale of public housing.

As you know, Senator Fowler, the Budget Committee agreed to renew expiring Section 8 contracts as a part of its baseline assumptions this year.

Senator **Fowler**. Right.

Ms. **Robinson**. AARP applauds this action and calls upon Congress to commit additional resources in order to keep projects for low-income people viable.

HUD's current structure lacks a focal point for the integration of housing policy with social services aimed at promoting the independence of such people. To fill the gap, AARP strongly supports the establishment of an Office of the Assistant Secretary for Supportive Housing to administer programs coordinating housing and services for the older, disabled and homeless people.

Once again, Senator Fowler, we thank you for the opportunity to testify today. We look forward to working with you on both the budget and appropriations issues to meet the challenge of providing a decent home and a suitable living environment for every American family.

Thank you very much.

[The prepared statement of Ms. Robinson follows:]

Senator **Fowler**. Thank you very much, Ms. Robinson, and again to all of you.

AARP

STATEMENT

OF

THE AMERICAN ASSOCIATION OF RETIRED PERSONS

ON

HOUSING AND CONGREGATE SERVICES FOR OLDER PEOPLE

FIELD HEARING OF THE

SENATE COMMITTEE ON THE BUDGET

SENATOR WYCHE FOWLER, PRESIDING

Presented by

LITHANGIA ROBINSON

AARP STATE LEGISLATIVE COMMITTEE
Georgia

July 10, 1989

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Mr. Chairman, I am Lithangia Robinson, member of the Georgia State Legislative Committee of the American Association of Retired Persons (AARP). We appreciate the opportunity to testify today on behalf of older Americans on the growing need for specialized housing and services for older Americans. The Association is pleased by your personal interest in elderly housing issues as a member of both the Budget Committee and the VA - HUD - Independent Agencies Appropriations Subcommittee.

The press reports of scandal at the Department of Housing and Urban Development make it all the more urgent that we seriously reexamine housing policy at this point. AARP applauds the recent actions by Secretary Kemp to clean up past abuses and place housing programs on a more sound basis for serving our nation's neediest citizens.

The rapid aging of the American population will be the overwhelming demographic factor that will confront policy planners for the foreseeable future, not only in housing but also in other social services. The number of older people is projected to increase from 29.2 million or 12.1% of the population in 1986 to 64.6 million or 21.3% of the population in 2030. According to a University of Michigan study, this growth will translate into a need for an additional 9.6 million units of specialized housing units between the years 1980 and 2000. The private market, however, is projected to produce only 6.8 million units, leaving a shortfall of 2.8 million units. Unfortunately, those who are most likely to be left out by the private market are the oldest, the poorest, and the frailest who have the greatest needs for housing with supportive services.

While Georgia is one of the youngest states in the nation, the older population is growing at one of the fastest rates. Between 1980 and 1987, the number of Georgia residents over 65 grew by more than 20 percent. Georgia's elderly have one of the highest poverty rates in the nation -- over 25 percent. Poverty is particularly acute among the state's large rural and minority populations.

To fully meet the needs of these people will require expanding the mission of the nation's housing programs beyond the "bricks and mortar" issues of construction and finance to address the "supportive housing" needs of the nation's older, disabled, and homeless citizens. The pressure to provide supportive housing alternatives comes in part from the targeting of federally assisted housing programs. Housing occupied by older residents represents more than 40% of federally assisted housing units. This targeting has created a demand for new strategies to integrate supportive services and housing, both to promote independent living among residents and to assist project managers who are on the front lines in providing services to frail and disabled residents.

According to recent testimony by Dr. Raymond Struyk of the Urban Institute, approximately 150,000 older current residents of federally assisted housing suffer a level of disability that places them at risk of institutionalization. Many more older people in the community could benefit from increased access to supportive housing arrangements.

Budget and policy pressures to provide supportive housing also come from recent developments in long-term care policy, for older people as well as for people with physical and mental disabilities. As our long-term care policies move away from institution-based care toward home- and community-based alternatives for each of these populations, housing policy must play an increasingly important role in assuring that suitable housing and social services opportunities are in place. We should not add to the tragedy of homelessness by deinstitutionalizing mentally and physically disabled people without adequate housing alternatives. At the same time, we should not perpetuate the tragedy of unnecessarily institutionalizing disabled people of any age because supportive housing alternatives are not available.

The following sections highlight AARP's suggestions for dealing with supportive housing needs of older people. I will make specific comments on the following proposals:

- Reform the Section 202 program for the elderly and handicapped;
- Integrate housing and services for frail and older people;
- Provide special rental assistance to disabled people of all ages;
- Strengthen rural housing programs;
- Preserve existing units of federally assisted housing; and
- Create an Office on Supportive Housing to be headed by an Assistant Secretary.

SECTION 202 REFORMS

Historically, the most successful model of cooperation between the federal government and nonprofit sponsors has been the Section 202 program for the elderly and handicapped. As of November 1988, there were 4692 units of Section 202 housing in Georgia, 1045 units of which were in nonmetropolitan areas.

AARP's goals for Section 202 reform may be summarized as follows:

- Increase the total number of new units of housing available annually for older and disabled people;
- Improve the design, quality and marketability of rental housing produced under the Section 202 program;
- Reform the current redundant financing structure of the Section 202/Section 8 program;
- Encourage the development of larger projects offering greater economies of scale for project operation and service provision;
- Enhance the provision of supportive services to frail and disabled tenants; and
- Use federal commitments for assistance to low-income persons to leverage projects serving a greater income range.

Unfortunately, budget cuts have dramatically reduced production levels under the program in recent years -- from over 20,000 units per year in the late 1970's to 9,500 units in FY 1989. While we are well aware of the pressures imposed on Congress by mounting federal deficits, it is critical that assistance be restored to those whose needs are greatest.

One way to produce more units in the short term would be to move those units that are currently languishing in the construction pipeline. The President's FY 1990 budget noted that there were over 54,000 units funded by Congress that have not gone into production. Only 10 percent of that number actually went into production last year. Congress should direct HUD to move these projects into production in a timely manner.

Currently, Section 202 is linked to Section 8 rental assistance. From a budget perspective, this structure means that the program is spread over two budget functions -- functions 370 and 600 -- requiring redundant financing. AARP supports moving the entire program to function 600 since Section 202 has the same very low-income requirements as other housing assistance programs.

The Association further advocates eliminating the redundant financing of Section 202 that results from its link to the Section 8 program. Severing this link by converting Section 202 loans into grants would make the budget authority more closely approximate the actual cost of the program, rather than making it appear to be nearly twice as expensive as it really is.

Moreover, Section 8 has been the vehicle for counterproductive regulations created in the name of "cost containment." These regulations have produced lower quality facilities that are ill-adapted to serving the older and disabled people for whom the program is designed. If Section 202 were separated from Section 8, a construction cost index could be used to contain costs while more accurately reflecting the costs of building the specialized housing needed by residents of Section 202.

SERVICES AND HOUSING

The Congregate Housing Services Program (CHSP) was enacted in 1978 to provide nonmedical services to the increasing number of frail older and disabled people in federally assisted housing. The program currently operates at sixty Section 202 and public housing sites nationwide, none of which is in the state of Georgia. Despite the success of the program, Administration opposition and jurisdictional battles have blocked the addition of any new sites to the program since 1983.

The CHSP has impressively demonstrated that housing with supportive services can prevent the unnecessary institutionalization of frail older persons. According to data from an independent evaluation, the expected institutionalization rate among residents of facilities for older people was cut nearly in half by the introduction of CHSP services.

Equally impressive were the deinstitutionalizing effects of having CHSP services. At housing sites for older residents, administrators were six times more likely to admit residents from nursing homes when they had CHSP services to offer. At sites for the developmentally disabled, the deinstitutionalization rates were often near 100%. Several states and other nations, such as the United Kingdom and Sweden, have witnessed similar success stories with service-enriched housing.

Looking to the future, AARP urges Congress to expand the provision of services in federally assisted housing, using the CHSP as a model. In addition, some projects may require capital grants to retrofit both common spaces in projects and individual units for frail older residents, a factor lacking in the current CHSP. Finally, AARP also advocates the extension of eligibility for congregate services to facilities funded under other federal programs serving substantial numbers of older people, including Sections 236, 221(d)3, and 515.

RENTAL ASSISTANCE TO DISABLED PEOPLE

AARP strongly supports the targeting of rental assistance to promote independent living among frail older and disabled persons. The use of rental credits to assist older people received important research support in a recent study by Abt Associates of the voucher program. That study found that vouchers were particularly successful for residents who wanted to continue to live where they were. As the study pointed out, the bulk of such residents tended to be older people who wanted to remain in their apartments but were experiencing increasing financial difficulty in doing so. Many of these older renters had lost substantial income and savings due to widowhood or illness and were paying a high proportion of their incomes for rent. Under such circumstances, vouchers successfully allowed these renters to "age in place" with dignity and independence in a home of their choosing.

Supporting older and disabled people who want to continue to live independently in the community is a prime example of how rental assistance can play a role in the provision of community-based long-term care. Targeted rental assistance could be an important tool for social service workers who are trying to put together packages of community- and home-based services for frail older and disabled individuals. The Association encourages the the Budget Committee to promote home and community based services programs that could be used in conjunction with special rental assistance.

RURAL HOUSING

As noted earlier, Georgia has a high percentage of its population living in rural areas. While home ownership rates are high among rural older people, so are the rates of living in substandard housing. The problems of poverty and substandard housing are particularly acute among the state's minority population.

In addition to problems associated with low incomes, rural areas have much less access to needed services. The lack of in-home services or transportation to other services can mean the difference between independence and losing one's home for many rural older people.

AARP advocates the strengthening of rural housing programs. For renters, the Section 515 program for multifamily rental housing should be increased and services integrated at sites for older people. The Section 504 home repair grant program should be greatly expanded to serve more older homeowners. Expansion of the home equity conversion demonstration at HUD might also assist some older homeowners who would like to tap their own equity to pay for needed home repairs, health care, or other services.

PRESERVATION OF EXISTING ASSISTED HOUSING

AARP is very concerned about the potential impact of the loss of current federally assisted housing stock due to mortgage prepayment, rental assistance contract expiration, and the deterioration or sale of public housing. Older renters are disproportionately represented in each of these housing settings and would be disproportionately affected in the event that tenants are displaced in order to use the low-income housing for other purposes. We have already witnessed the displacement of older residents in some Section 515 projects that prepaid before the current moratorium was imposed.

As you know, Senator, the Budget Committee agreed to renew expiring Section 8 contracts as part of its "baseline assumptions" this year. AARP applauds this action, but calls upon Congress to take steps to address the enormous problems that could result from the loss of federally assisted housing units. In general, the Association supports the findings of the National Low-Income Housing Preservation Commission co-chaired by former HUD Secretary Carla Hills and former Congressman Henry Reuss. Congress must commit additional resources through direct grants, rental assistance commitments, tax credits, or other means in order to keep these projects viable. While the cost is likely to be large, the replacement costs would be much greater. The human costs to those who would be displaced and potentially homeless are incalculable.

ASSISTANT SECRETARY FOR SUPPORTIVE HOUSING

HUD's current structure lacks a focal point for the integration of housing policy with social services aimed at promoting the independence of such groups. To fill this gap, AARP strongly supports the establishment of an Office of the Assistant Secretary for Supportive Housing to administer programs coordinating housing and services for older, disabled, and homeless people.

An Assistant Secretary for Supportive Housing is essential for three main reasons. First, those in need of supportive housing need an advocate internally at HUD. Second, the Assistant Secretary for Supportive Housing would provide an important link to social service agencies at the federal and state levels. HUD must work with the Departments of Health and Human Sevices and Agriculture to put together housing and services. Finally, the addition of an Assistant Secretary for Supportive Housing would in itself be an important public statement about the evolving mission of HUD. The appointment of this Assistant Secretary would clarify the central role of housing in addressing the long-term needs of disabled people of all ages. This office would also be the focal point for efforts to address the national tragedy of homelessness.

CONCLUSION

Once again, Senator Fowler, we thank you for the opportunity to testify today. We look forward to working closely with you on both budget and appropriations issues to meet the challenge of providing a "decent home and a suitable living environment for every American family."

Senator FOWLER. Dr. Payne, how is the elderly population in Georgia growing relative to other southern states?

Dr. PAYNE. Faster.

Senator FOWLER. Faster?

Dr. PAYNE. And more to outside of urban areas. That does not mean there are still a predominance of older people in urban areas, but the movement to the mountains and out of inner city to suburbia and to small towns is a trend, and we are——

Senator FOWLER. In the overall figures, wherever they scatter, how significantly related to that is the in-migration of elderly from other States into Georgia?

Dr. PAYNE. We don't have good data except that we know that much of this is in-migrations of persons who decide to have two homes, one in the mountains and one in Florida. We know that some people—we were identified nationally as having some of the best small town communities and that has attracted people from across the country to places like Clarksville.

Then we also know that person feel unsafe in inner cities and they are moving out. Other older persons are moving in State to be near our predominant managerial population because their children are here—their adult sons and daughters work her. So that we have that kind of pulling because our economy with younger people is stronger.

Senator FOWLER. Is there any way to quantify the need that you are able to project of how many of these people will need housing and supportive services?

Dr. PAYNE. Well I would say that some 30 to 40 percent of persons in that age group are going to need some supportive services.

Senator FOWLER. Wherever they live?

Dr. PAYNE. Yeah. And if they can afford it, they will be willing to pay for it. That is why I kept putting in the private part, that as we provide services like the one that Electrolux has developed for home maintenance and so forth that is affordable by many people, but it is cheaper than a nursing home. In-home medical services is being able to recover from things at home at an affordable price, and there needs to be some kind of sliding scale for this, not just the one $2100 you have said, but so that older people will not fall through the cracks.

What worries me most financially is that as the Congress has determined to tax older persons who have some income, they do not take into account the long-range implication that right now this year I may have $25,000 that could be taxed, but year after next I may not have anything and I may fall through the crack. And persons who had depended on non-taxable income, who suddenly find it taxed, are put in a very vulnerable situation. These are your low to moderate income level people that are going to be hurt the most by this, just like they are with the catastrophic health plan.

Senator FOWLER. Yes.

Dr. PAYNE. I am very concerned about all economic groups and I think that is why I kept saying we have got to look at them all, there is not one plan. We have got to provide for all of our citizens, not just one age or economic group.

Senator **Fowler**. Well that certainly is the challenge.

Ms. Robinson, as our homeless problem has grown, to what extent—do you happen to know to what extent that includes the homeless elderly. Can any panelist address that? Do we have any figures on homeless elderly?

Dr. **Payne**. I asked Ms. Beatty about this and she says that there are fewer older homeless because in Atlanta, for example, they are able to find some housing for them. But most of them are picked up for specific medical assistance and get medicaid and are put in some kind of institutional situation. And she projected that that was true nationwide.

Senator **Fowler**. Ms. Robinson, expanding on that, in your experience how serious, bringing it home here, are the housing problems facing older people in Georgia and give me some assessment of the ability of the State to fund this and how much Federal participation is needed.

Ms. **Robinson**. Well first I would like to say this, that I have been able to travel in the last few years in 159 counties. As a retired teacher and working with AARP, I do not have facts and figures, our staff can get you that, but the thing that I find that exists mostly with them—I think it has been addressed by each one of the panelists here, is when you have the older homes and they are not able to keep them up, the escalation of our cost of living, where people are having to pay 69 cents now a pound for cabbage that used to be 10 or 15 cents a pound. These kinds of things, which are necessities that people have, they cannot do some of the other things.

We have insulation programs, and a lot of people just cannot get into those kind of programs, especially in rural areas. Within the city I find out that we have more agencies that work with them. With the frail women, who has lost a spouse, many of them have no children and not only people being—in Atlanta we speak of people being afraid to come out, some of these people are afraid to venture out into things too because I have gone to some hearings for some other things and heard some things.

So what we need to do percentage-wise would have to be worked out with the Department of Human Resources, with the cities, counties or what-not.

Senator **Fowler**. Why has the Section 202 housing program been so successful while other programs have not? What is the secret?

Ms. **Robinson**. I believe Section 202 has been successful because of—it is non-profit and those people have a vested interest. Take for instance where churches build high rises or institutions of that sort, I do not know whether you have as much red tape in there, but I go into these. I was in one last week and the people are very happy there. They—you know, there is a comraderie there and I do not know whether it is maybe, as I said, because of the churches, but I believe that non-profit organizations have—did not have as much red tape to go through and the people are happier there.

Senator **Fowler**. Mr. Nicholson, do you have any estimate of the number of low-income elderly who are at risk of institutionalization?

Mr. **Nicholson**. Estimates I have heard, Senator Fowler, is that approximately 15 to 20 percent of all older people—I do not have that related just to low income, but of older people, have need for some level of supportive services. There are about 5 percent, 3 to 5 percent in institutions and so of the non-institutional population, 15 to 20 percent would have some need for supportive services.

Senator FOWLER. Let me put it another——

Mr. NICHOLSON. I have also heard in another way that for every person in a nursing home, that there is a need—that there are three to six additional people in the community who have a need for that level of care, and that in the southeast that the figure would be closer to the six to one. So that would include people who live in special housing for the elderly or in their own homes.

Senator FOWLER. Well let me put it another way, or look at it from the other side of the same question.

What kind of estimate do you have of the number of people who could remain at home in place, avoid the nursing home or institutionalization, if they could be reached through the kind of services that HHS provides? Assuming they could all be reached, what kind of numbers are we talking about and how much would it cost if you had——

Mr. NICHOLSON. I just do not know what those numbers would be other than the percentages I have used. I have not seen any data of that kind. As to what that would cost, I certainly have no fix on that. Our present appropriation nationwide for the Older Americans Act, Title 3, is about $17 million. One observation I would make is that our State agencies on aging are required to submit to our office each year and we received our last reports this past week, a status—or reports on unmet needs in their States for supportive services. And the Administration on Aging is to provide a report to the Congress by September 30 of this year on unmet needs across the country as a whole for supportive services. Perhaps there might be some way that that information could be taken and related to the kinds of questions that you are asking.

Senator FOWLER. In your opinion, which of the supportive services that HHS now provides are most cost-effective in this area we are talking about?

Mr. NICHOLSON. Well I guess my observation would be that I think there are many of these supportive services that can be cost-effective and that are cost-effective. I think there are several things involved. One is that we have to be sure that the appropriate service is given to the person according to their need. It is not cost-effective to provide services to those who may not have a real need for it. So we do make efforts to target the services to those who have the greatest need and the legitimate need for that service.

We have found in our experience that where services can be provided to people in groups, such as the congregate meal program and other congregate type services, where people are brought together in groups, that obviously there is a reduction in cost there. Or where you have clusters of older people such as you might have in a housing project for the elderly, where it is possible that while the workers might even be providing services on a one-on-one basis, that because they do not have to spend the extra time going around to visit one home or another, that that could be cost-effective.

I think that many of the services are in themselves cost-effective if it is the appropriate service for the person at the right point in time.

Senator Fowler. What I would like to see, whether it is this upcoming report you describe or the work in your agency, is some way of comparison of—that is what we are going to need in budget and appropriations matters—is some way of comparing the cost to the government of providing these services to people who need them versus the cost to the government of institutionalizing the same people. That is the chart we need to see.

If that is not included in the—our research now, I hope you will help us through your regional agency and through the Secretary of Housing to come up with that kind of cost analysis.

Mr. Nicholson. The cost, for example, in this region for intermediate care——

Senator Fowler. Let me just talk to the audience here for a second, at the liberty of the Chair. You know, I have been to all 159 counties like Ms. Robinson, since my election to the Senate, and been in the cross-fire over catastrophic health insurance. Everybody says why are you worried about catastrophic—what we need is nursing home care. Why don't you guys pass a nursing home program? That is what Claude Pepper was trying to do up to the day of his death.

But the answer to that is very simple, we simply cannot figure out how to pay for it without enormously raising taxes on every American. And that is why we have got to figure out a way through the services rendered to keep people in place, as all of you have described. This has to be done for those people who do not require any kind of institutionalization. There has to be a better way of doing it, not only for the purposes of dignity and respect and preference, but also looking at the money end of the equation.

Dr. Payne, along the line that we have been discussing, as more people are living longer, what new services do you see identified that are needed for the elderly?

Dr. Payne. I think the at-home services that we have identified are there to support people not to be institutionalized. I think there are efforts, if those are provided, that both family and older persons would stay. I would like to project that we need to have a program that links the voluntary organizations in the community, the natural support. For example, if the churches and religious organizations of this country built the best nursing homes and retirement facilities in the last 40 years, they ought to be the ones to help us develop the at-home services that are most appropriate and have quality and carry the feeling of somebody out there really cares about me and I think this is where that voluntary opportunity comes in along with some incentives for this part of the sector to do this.

I do not think the government ought to do it all.

Senator Fowler. Amen.

Dr. Payne. So I think there needs to be some partnerships out there and some citizen response to that, so that maybe younger people living in a community that is multi-generational would be given some incentive to be of support to six older families in their neighborhood, which would cut down on having to pay someone to do that. There are all kinds of new ways. That is what I meant, we need some new planning, add some new questions to this problem, so that we do not go back to the things we have always done in the past.

Your question about who out there needs it, the proportion, we have not mentioned the Alzheimer patient, and most Alzheimer patients are in the community. And they have some special care needs in terms of day care and respite for the families. And we should not forget that these do not count in that institutionalized group that we are talking about.

Senator FOWLER. Yes.

Dr. PAYNE. So—and we know that the age factor or the medical condition is what determines the need. The, quote, "frail elderly", whether it is 60 or 90, need more support and about 60 percent of those that would be classified as frail need services in the community.

Senator FOWLER. Ms. Robinson, the statistics that we get all the time keep telling us that it is increasingly difficult to receive housing assistance. Has that been your experience in your work with the elderly and what effect have you seen that having on our older population in Georgia?

Ms. ROBINSON. Yes, it has. And one thing that triggered me when Dr. Payne was speaking, was an elderly woman that lives right out here in East Point whose husband has Alzheimer's disease and he was institutionalized and they were going to send him back home. And she hardly had any place to keep herself anyway, but these are the kinds of things—and many of these people have lived in one place all their lives and they do not know procedure how to go and get things done.

And then many times, people that work in agencies really are not responsive to the needs of these people and sometimes some of them are afraid to go back, because they did not like the way they talked to them and we are going to have to remember that those people are faced with situations they have never been faced with. People have had to move in with their children because they could not pay the taxes on their home when they get older. So we need to do something—I am sure, Senator Fowler, you realize that there is consolidation over at Clark College and Atlanta University and where Clark-Atlanta University now has a proposed program to reach into the John Hope Project and to the University Homes to work with the people there. They have already had a reception and everything like that.

Senator FOWLER. Yes.

Ms. ROBINSON. This is where we are going to have to kind of look in there. As I said, no one person or one agency can do it. There will have to be coordination of services.

Senator FOWLER. In that regard, Mr. Nicholson, what has been your experience, once you get below the Federal level, with the ability of the State and private resources to deliver these services?

Mr. NICHOLSON. I think we have seen a tremendous growth and increase in capacity both at the State and community level over the past 15 years in their ability to deliver services. I think there are areas, particularly in rural communities where there is still perhaps a lack of expertise from the service provider levels to provide some of these services, so that although people may have a need for certain kinds of services, they may not be delivered because there is no one to provide it. So there are still some of those kinds of problems.

If I might just react to a previous question you asked.

Senator FOWLER. Please.

Mr. NICHOLSON. It is with regard to the evolving services. We noted in the past about 3 years concern and interest in the care of the caregivers, as we call them.

Senator FOWLER. The what?

Mr. NICHOLSON. The care of the caregivers.

Senator FOWLER. The care of the caregivers?

Mr. NICHOLSON. Yes, sir. We find——

Senator FOWLER. Sounds like something out of Alice in Wonderland.

Mr. NICHOLSON. But we find that—we are finding that many of these services to older people outside of institutions are provided by their families, and within the family setting, the older woman who is taking care of her husband or the responsibility falling on the middle-aged wife caring for the elderly parent, and so that we have increasing concerns about supportive services for the caregivers.

Senator FOWLER. Right.

Mr. NICHOLSON. And so we are beginning to see respite services for these people, adult day care programs and those kinds of things evolving to support those people.

Senator FOWLER. Ladies and gentlemen, thank you so much. There are many, many questions and I would like to continue this discussion but we will have to write you, in the interest of time. The other panels waiting to testify, but thank you very, very much for being with us.

We have Mr. Richard Bradfield, Mr. Roy Lane and Ms. Harriet Macklin, if you will please join us.

While you get settled, I am going to bring me a table down here. I have been uncomfortable perched up here like a parrot and I am going to get down on the eye level.

While they are setting up the table here, I will ad lib. You know that old story of a man who remembered his grandmother on Mother's Day. He went to the pet store and bought her this beautiful parrot and a few days went by and he had not heard from her so he called her up and he said, "Grandmother, how did you like that fantastic parrot I sent you?" She said, "Delicious." He said, "Delicious? You ate that parrot? That parrot cost a thousand dollars, that parrot spoke five different languages." She said, "Well why didn't he say something?"

I want to come off my perch and come down so I can look you in the eye and feel like I am a little bit better.

[Brief pause.]

Senator FOWLER. We will ask Mr. Richard Bradfield of our next panel to go first, since I know that you have got a plane to catch and I am tremendously sympathetic with that. I especially want to thank you for making the effort to be with us this morning.

Mr. Bradfield is a nationally recognized, award winning developer of low-income elderly housing. He has testified before Senators

Cranston and D'Amato in the Senate Housing Subcommittee, and we are very pleased to have you here today, Mr. Bradfield.

STATEMENT OF RICHARD BRADFIELD, AMERICAN INSTITUTE OF ARCHITECTS

Mr. **Bradfield**. Thank you very much, Senator Fowler. As you said, I am Dick Bradfield, AIA, I am the President of Bradfield Associates, Inc., an Atlanta based architectural firm. And although I have done some development, my primary occupation is as a designer of housing. I am appearing today on behalf of the American Institute of Architects and I presently serve on the AIA's Affordable Housing Task Force.

Voice. We cannot hear you.

Senator **Fowler**. Pull that microphone right up.

Mr. **Bradfield**. They say you should never leave an architect or a Baptist minister alone with a microphone.

As I said, I presently serve on the AIA's Affordable Housing Task Force and also on the Steering Group of the Housing Committee of the AIA. As you mentioned, during my career I have been honored many times with design awards for my housing work, including the first ever Presidential Award for Design Excellence, and the only one ever awarded to a public housing project. Much of my work includes design for the elderly, the handicapped and most recently a good many projects for the homeless as well.

I am here today to present the AIA's views on housing for the elderly and support services.

Because of its fragmentation, the Federal response to the housing needs of the frail elderly, particularly those with modest incomes, is grossly inefficient, severely underfunded and hobbled by regulations that frustrate the programs they are supposed to implement. You have heard several times this morning that the elderly population, particularly those over 75, is growing faster than any other age group. If the Federal government would only grasp the program models already at hand, perhaps with some slight modifications, thousands of frail elderly people could live in greater dignity, more comfortably, with less cost to the government.

These existing tools consist of Federal housing production, rehabilitation assistance and the Congregate Housing Services Program.

The Section 202 Program that has been mentioned several times, for instance, suffers not only from inadequate funding, but also from regulations that are strangling its production. Fair market rents, combined with poorly drafted cost-containment guidelines, conspire to frustrate the construction of housing that Congress thought it was providing through legislation. In fact, this one-two punch has brought the program to a virtual production standstill.

The current backlog of unconstructed, yet approved, projects, results directly from the inability of sponsors and their architects to build viable, workable projects within the limits of present cost-containment guidelines or to meet the financing limits imposed by fair market rents. A leading elderly housing consultant firm, Conroy and McIver out of Dallas, Texas, tells us that as many as 80 percent of the 363 fair market rent areas are experiencing difficulty in developing the most modest of projects for the money dictated by the fair market rents in their area. In 66 areas, projects were absolutely impossible to construct under fair market rents.

Incredibly, HUD not only recognizes and acknowledges that the fair market rents are a problem, it does so in its own notices of funding availability in some areas.

Cost containment guidelines are ridiculous problems. A 40-unit 202 project that I designed last year in Clayton, Georgia never made it past the application stage even though it was smaller and less costly than allowed by the guidelines. To bring the project within permitted budgets, I prepared a design based upon a modular dimensioning system that took advantage of standard material sizes. This methodology required the project's ten efficiency units to exceed the guideline thresholds by a mere eight square feet each while the 30 one-bedroom units were almost 80 square feet each below the same threshold. This resulted in a building over 2000 square feet less than allocated and allowed by the cost containment guidelines. HUD rejected the application due to the size of the efficiency units, even though they acknowledged in their rejection letter that the overall project had been cost contained. This kind of decision-making is utter nonsense. I have attached copies of correspondence and data concerning this particular project to my written testimony.

Cost containment regulations also lead to unnecessary compromises in housing quality and design. Some HUD offices give preference to proposals without elevators. Only 5 percent of the floor area may be devoted to common areas, including kitchen and dining, lobbies, recreation areas, craft rooms and other necessary facilities.

Lesser quality materials must often be substituted to bring the project within cost limitations resulting in future maintenance problems. HUD has denied the installation of sprinklers and other life safety systems in some of the projects. Restrictions extend to any ornamental embellishment, placement of lighting and landscaping. Housing that is inadequate from the day it opens will only become more so and more costly to maintain or to alter to satisfy the needs of the residents as they age and become more frail.

As the Clayton, Georgia example illustrates, there may be no deviation from any of the guidelines even though the project may comply in the aggregate and in the spirit of cost containment. Such design limitations can produce housing poorly fitted to the environment, diminish the sense of place that good housing is supposed to foster for both occupants and neighbors and it sends a clear message I believe about how the government views the beneficiaries of its programs.

To correct these problems in the short term, the AIA has joined with the American Association of Housing for the Aged and the American Association of Retired People in submitting report language to the Appropriations Committee directing a number of regulation revisions. I have attached a copy of this language which we hope you will consider in your appropriations.

Senator **Fowler**. We will, I thank you for it.

Mr. **Bradfield**. The longer term solution lies in legislation such as that proposed in S. 565, the National Affordable Housing Act sponsored by Senators Cranston and D'Amato. This legislation overhauls the program to make it less costly and more serviceable to its beneficiaries.

Section 202 is critically important to expand the housing supply. Vouchers, while helpful, cannot create a single new housing unit.

Along with specifically designed new production is a need for renovation and retrofit. Beyond those units that are simply wearing out, there are thousands more that are unable to serve their increasingly frail elderly tenants. Unless these buildings are rehabbed and necessary services are provided, the tenants will surely be prematurely displaced at great expense or else live miserably and at great risk.

It is absolutely essential to understand the relationship between design and support services. Inadequate buildings housing the frail elderly cannot take advantage of necessary services and properly designed housing for this group and they cannot function without the service component. No sponsor is going to build specially designed and therefore limitedly marketable housing without the assurance of social services to accommodate the special market who will use these facilities.

I wish I had more time to elaborate on this area, but I will be glad to make myself available to you.

Current social problems are often poorly coordinated, they are too spread out or they are simply inadequate.

The AIA, Mr. Chairman, urges that (1) the Congregate Housing Services Program currently authorized at $10 million be expanded and continued, this program works; (2) that project service coordinators be made eligible for funding to improve the tailoring of service packages to individual tenant needs and (3) that any savings realized through the revision of the 202 program under the Cranston-D'Amato bill be applied to the expansion of the Congregate Housing Services Program for a greater number of projects offering a wider area of critical services.

Thank you very much. I will be glad to answer any questions you have.

Senator FOWLER. Thank you, Mr. Bradfield.

[The prepared statement of Mr. Bradfield follows:]

THE AMERICAN INSTITUTE OF ARCHITECTS

STATEMENT OF RICHARD H. BRADFIELD, AIA

on

HOUSING AND CONGREGATE SERVICES
FOR THE ELDERLY

on behalf of

THE AMERICAN INSTITUTE OF ARCHITECTS

before the

U.S. SENATE COMMITTEE ON THE BUDGET

FIELD HEARING, ATLANTA, GEORGIA

July 10, 1989

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Mr. Chairman, and members of the Subcommittee, my name is Richard H. Bradfield, AIA, President of Bradfield Associates, an architectural firm in Atlanta, Georgia. I am appearing today on behalf of The American Institute of Architects (AIA), the professional association of 56,000 members representing the nation's architects. I am also a member of the AIA's Affordable Housing Task Force and its Housing Committee, and was honored to receive the first Presidential Award for Design Excellence, sponsored by the National Endowment for the Arts, for a 67-unit, scattered site public housing project in Charleston, South Carolina.

I am here to present the AIA's views on housing for the elderly and support services. We applaud your interest in these two closely-related concerns. Because the Budget Committee's responsibility ranges over the jurisdiction of all other Committees, it has the ability to bring together related issues too often kept separate by the arbitrary, artificial barriers of committee jurisdiction. Human needs don't fit neatly into little Congressional boxes, but the existing process tries to make them fit through programs that are sometimes poorly coordinated.

Because of its fragmentation, the federal response to the housing needs of the frail elderly, particularly those with modest incomes, is grossly inefficient. It is also feeble due to poor funding, and hobbled by regulations that stymie the programs they are supposed to implement. Most tragically, this failure is so unnecessary because it isn't the product of ignorance. What works is well-known. Inflexible bureaucracy, both Congressional and Executive, compounded by poor policy choices have resulted in great unnecessary costs for the federal government and avoidable housing misery for thousands of older Americans.

Most elderly are hale and hearty. They need only the basics of decent, affordable housing. Others have serious, long-term health problems that require institutional attention. Then there is the large group of people, comprising about 15 to 20 percent of the total elderly population who have some disability that impedes normal daily activity.

This middle group has tended to fall through the policy cracks because the combination of housing and support services is not viewed as a form of housing. Individuals in this group can't get along in standard housing, yet they don't need institutional care. They need a specially designed environment that the political process has had enormous difficulty in accommodating.

Because the elderly population, particularly the segment above the age of 75, is growing faster than any other age groups, we can expect increasing demands for the "housing with help" option. In fact, by the year 2000, we can expect those over 75 to comprise 45 percent of all elderly people.

If the federal government would only grasp the program models already at hand, thousands of frail elderly people could live in greater dignity, more satisfactorily, and at less cost to the government. These tools consist of federal housing production and rehabilitation assistance, and the Congregate Housing Services Program model.

Existing federal housing programs already house significant numbers of elderly people. About half a million elderly households live in public housing. About sixty percent of Section 8 unit-based housing serves the elderly. The Section 202 program for the elderly and handicapped has built over 160,000 units, most of which serves the elderly. Other housing under Farmers Home Administration programs along with housing produced through the low-income housing tax credit and a variety of production programs no longer in existence (Section 236 and HODAG, to name two) also contain many senior citizens.

Since many of these programs have been terminated or reduced as part of the federal government's seventy-five percent housing funds cutback since 1980, federal housing production assistance has slowed to a crawl. In FY1988, HUD programs started only 10,000 units, compared to 178,000 in 1980.

Meanwhile, waiting lists for public housing total over a million households. A just-released report by the Harvard University Joint Center for Housing Studies estimated that 6.6 million low-income people pay more than half their income for rent. Those over age 75 typically pay 48 percent of their income for rent. Production of housing they can afford is woefully inadequate. The Rouse-Maxwell report released last year stated, "In 1986, only 7.5 percent (30,600 units) of the private sector's new unsubsidized, multi-family production rented for less than $300 a month. In the first half of 1987, more than 40 percent of these new apartments units rented at rates affordable only to people with annual incomes above $22,000." At the same time, the number of housing units theoretically available to the poor are falling out of the stock through abandonment, redevelopment, or up-scale conversion or rehabilitation. Each year, 100,000 units occupied by the elderly disappear.

The Section 202 program, now the principal HUD production program, suffers not only from inadequate funding, but also from regulations that are strangling its production. This program provides 100% development loans at below-market interest rates to private, non-profit producers of housing for the elderly. Long-term unit-based rental assistance along with tenant contributions of 30 percent of countable income pay off the loan and fund project operations and maintenance.

The formula based on fair market rents under the Section 8 rental assistance portion of the program limits the amount of funds which may be provided to sponsors for housing development. Low Fair Market Rents combined with the rigid Cost Containment guidelines conspire to frustrate the construction of the housing that Congress thought it was providing. In fact, this one-two punch has brought the program to a virtual production standstill, accomplishing through regulation the program cutbacks that Congress has repeatedly rejected in recent years.

According to HUD's FY 1990 budget submission, through the end of FY1988, the backlog of units approved but not yet under construction had reached over 63,700 though the program is reserving only about 11,000 units a year. In FY1988, 11,264 units were added to the project pipeline, but only 5,301 moved to construction. By contrast, in 1979, the 23,860 units started exceeded the 22,525 units reserved indicating that although annual reservations were beginning their decline, approved projects were proceeding through the pipeline to construction.

The current backlog of unconstructed, yet approved projects, results directly from the inability of developments to meet the Cost Containment guidelines and to meet the limits imposed by the Fair Market Rents. According to Conroy and McIver, a foremost consulting firm dealing with elderly housing programs, as many as 80 percent of the 363 fair market rent areas were experiencing difficulty in developing projects for the amount of money that the fair market rents were dictating. In 66 of the areas, projects were impossible to construct.

Most incredibly, HUD not only acknowledges that the Fair Market Rents are a problem, it does so in its own notices of priority funding availability. For example, HUD's Region V office in Minneapolis/St. Paul, Minnesota, issued a notice establishing FY 1988 priority categories for Section 202 applications only to note at the end, "We call your attention to the fair market rent schedules for the Duluth, St. Cloud, and Worthington market areas. It will be difficult to successfully develop housing under the Section 202 program in these areas."

The Cost Containment guidelines pose special problems of their own. A 40-unit Section 202 project for the elderly I designed in Clayton, Georgia, in 1988, never made it to the approval stage, even though it was smaller, and less costly overall than the guidelines allowed. To bring the project within the cost permitted by the Cost Containment guidelines, I used a design based on a modular dimension that took advantage of a less costly construction methodology. This methodology required that the project's ten efficiency units contain 423 square feet each, a mere eight square feet over the guidelines for efficiency units. At the same time, my design called for the remaining 30 one-bedroom units to contain only 462 square feet each, resulting in a building with over 2,000 square feet less than the maximum permitted under the Cost Containment guidelines. Still, HUD rejected the project due to the size of the efficiency units, even though the Department acknowledged in its final rejection letter that the overall project had been cost contained! This kind of decision-making is utter nonsense. I have attached copies of correspondence and data sheets concerning this project. This project is by no means unusual.

The Cost Containment regulations also lead to unnecessary compromises in housing quality. Some HUD offices give preference to project proposals without elevators. Only 5 percent of a building may be devoted to common space, including all kitchen and dining facilities, lobbies, recreational areas, tenant workshops and other facilities. Lesser quality materials must sometimes be substituted to bring the project within the cost limitations, and HUD has denied sponsors the choice to install sprinklers and fire prevention systems. Restrictions also apply to ornamental embellishments, placement of lighting, and landscaping. And as the Clayton, Georgia, experience demonstrates, there may be no deviation from any of the guidelines even though a project may comply in the aggregrate. Such design limitations can produce housing poorly fitted to its environment, diminish the sense of place that good housing is supposed to foster for both occupants and neighbors, and send a clear, negative message about how the government views the beneficiaries of its programs.

Moreover, the rigid Cost Containment approach actually means more costs later on. Housing that is inadequate from the day it opens can only become increasingly inadequate and more costly to alter or maintain as the residents age and become more frail.

To cure these problems in the short-term, the AIA has joined with the American Association of Housing for the Aging and AARP in submitting report language to the Appropriations Committees directing a number of regulation revisions. I have attached a copy of this language which we hope you will consider in your Appropriations Committee capacity.

The longer-term solution lies in a legislative approach such as that undertaken in S.565, The National Affordable Housing Act, sponsored by Senators Alan Cranston and Alfonse D'AMato. The legislation overhauls the program to make it less costly and more serviceable for its beneficiaries.

The revamped Section 202 program depends upon an interest-free "capital advance" repayable only if the housing it finances does not remain available for low and moderate income people for a forty-year term. HUD would also fund any gap between the cost of operation and tenants' rent contributions through the use of project rental assistance.

This mechanism is a vast improvement over the current system which requires the federal government to use Section 8 rental assistance to pay off loans it makes at a sizeable interest rate. As a result of the current arrangement, the expenditure for the program shows up twice in the budget -- (1) in the credit function for the loans, and (2) in the income security function for the Section 8 assistance -- costing far more than necessary. An important benefit of the revisions is that the notoriously deficient Fair Market Rent system would fall by the wayside as Section 8 unit-based rental assistance terminates in favor of project rental assistance.

We note that the new legislation permits the capital advances to be used to finance the development or renovation of a portion of a structure which is used as supportive housing for the elderly. We believe that this provision should permit the program to be used in conjunction with larger housing developments that contain residents who have income higher than the Section 202 income limits and who would not receive any subsidy. This mixed-income arrangement would permit revenues to flow from the non-subsidized portion of the project either to enhance the building or to reduce overall operating costs, or both.

S. 565 improves current law in its attention to the value of design in the revised Section 202 program. I can't overemphasize the importance of this recognition. Commitment to appropriate design is articulated in the preamble to the elderly program revisions, and is found in the project selection criteria which include the extent to which a proposed design will meet the special physical needs of elderly persons and will accommodate supportive services. The legislation also acknowledges within the development cost limitation provisions the cost of special design features required for accessibility and for meeting the physical needs of the elderly and the handicapped. Most important of all, the legislation specifically mandates design flexibility in the elderly program in order to match projects to their locations and to their proposed tenant populations, "within broadly defined parameters." This is a very welcome and sorely needed recognition on the part of the Congress that architects should be able to use their skills to make low-income housing a good neighbor to surrounding residents and to best serve its residents.

Along with specifically designed new production is a need for renovation and retrofit. Beyond those units that are simply wearing out, there are thousands more which can't serve their increasingly frail tenants. They lack adequate common space and kitchen facilities, have too few or no elevators, require unit improvements, and need better accessibility features. These units were originally designed for a more robust tenant population. Unless these buildings are retrofitted and the services that their frail tenants need are provided, these tenants will surely be displaced, prematurely and unnecessarily, or else live miserably and at risk.

It is absolutely critical to understand the relationship between building design and support services. Housing inadequately designed for the frail elderly cannot take advantage of necessary services, and housing properly designed for this group can't function without the service component. Let me explain. Many frail people cannot cook for themselves. They depend on congregate facilities for basic nutrition and for necessary socialization. If an apartment has no central dining facility and no kitchen, it can only rely on meals prepared outside and delivered to each unit - a costly and inefficient way to provide them. Units built with only half kitchens or no kitchens (for those don't need such facilities or who would be endangered by trying to them) must have services available. Otherwise these units are rendered uninhabitable. No building sponsor is going to build specially designed and therefore specially marketable units without the long-term guarantee of social services to accommodate the tenants who would occupy those units.

Current social service programs are often poorly coordinated, too diffusely spread, or inadequately available. The concept behind the current Congregate Housing Services Program was to draw forth sensitive housing designs, for new and renovated housing from existing housing programs. It provides three to five year renewable funding contracts for packages of social services specially-tailored to tenants deemed at risk of displacement because of their frailties. No service adequately available within the project's locality can be funded through CHSP; sponsors may not substitute CHSP funds for money they already spend for social services; and tenants must pay for their services according to a sliding scale of income up to the cost of the services. The program was located in HUD because it was deemed to be a housing program, not a services program, and because the interagency agreement approach has never worked.

By extending the length of time in their apartments, frail elderly residents of the Section 202 and public housing projects currently served are maintained in familiar, comfortable surroundings for a far lower cost than would be the case if they were displaced to institutions. And as the federal government seeks to reduce medicaid costs for subsidized institutional care, programs like CHSP which combine well-designed housing with carefully-tailored support service packages, must be initiated.

Yet throughout the history of this program, Administrations have opposed it because it didn't fit neatly into the traditional jurisdictional boxes. It sought to promote the revolutionary idea that programs ought to fit people instead of the other way around. HUD dragged its feet literally for years in issuing the report demanded by the Congress in its original authorization. It fiddled with the conclusions that showed the program to be worthy and cost-effective because these conclusions didn't fit preconceived notions about the jurisdictional boxes.

The AIA urges that 1) the CHSP currently authorized at $10 million, be continued, 2) that project service coordinators be made eligible for funding to improve the tailoring of service packages to individual tenant needs, and 3) that any savings realized through the revision of the Section 202 program be applied to the expansion of the CHSP to a greater number of projects.

This concludes my testimony. I will be pleased to answer whatever questions you may have.

Senator **Fowler**. With the indulgence of Mr. Lane and Ms. Macklin, let me ask you a few questions so we can let you go.

Mr. **Bradfield**. I am sorry, but I think I got some of the feathers from that parrot you were talking about.

Senator **Fowler**. Well it will not be the first time that has been the results of my——[Laughter.]

I will just speak a little louder so people can hear me and we do not have to pass the microphone back and forth.

Mr. Bradfield, right now we see the market producing a surplus of luxury housing for the elderly and personal care homes, to use the art phrase, for the well-off. Outside of federally assisted housing programs, is there—what are the prospects of market forces meeting the needs for low-income elderly?

Mr. **Bradfield**. I think it is highly unlikely because of the limited income of most of our elderly population. There is unquestionably a market out there for market rate elderly in retirement homes. One of the problems under the existing insured program under the D–4 for congregate facilities, is the fact that the financing arrangements specifically disallow any extended care. And one of the most important things that I find the elderly are concerned about is entering into a retirement facility of any sort with the prospect that they are not going to receive the services that they need somewhere down the line. And then this displacement occurs.

Senator **Fowler**. Yes.

Mr. **Bradfield**. And they wind up in nursing homes when they really do not belong in nursing homes, and it is much too expensive a type of treatment for them, whereas some individual personal care to a limited capacity, would be much cheaper, would be much more efficient, and the same thing is true in most of our elderly and low income projects. If we could provide the services that the people need. Housing is fine, but it is not enough. We also need to provide the services that go along with it. The same thing is true in many of my homeless projects. Housing is fine, but services need to accompany those.

Senator **Fowler**. Well I certainly appreciate your commendation of the Congregate Services Program. As you know and everybody in this room knows, $10 million nationally, every study has shown that that has been one of the best of our programs, the most cost-effective because we spend so little money.

Mr. **Bradfield**. That is right.

Senator **Fowler**. And when you look at the size of any Federal budget, you are talking about next to nothing.

Mr. **Bradfield**. Well it is next to nothing, and consequently there are only a few projects across the Nation that are receiving those kind of benefits. It needs to be expanded considerably because, as everyone has mentioned, our elderly population is just burgeoning and will continue to do so on——

Senator **Fowler**. Any specific suggestions? I know you were hinting at them, you have got some, as you said, as attachments, in that void that needs to be filled between the housing that we are now doing, and the services, how do we—since your testimony has inextricably linked them if we are going to be successful.

Mr. **Bradfield**. I think so.

Senator **Fowler**. How do we do it?

Mr. BRADFIELD. I think it takes money. It certainly takes dedication.

Senator FOWLER. Give me the second answer. [Laughter.]

No; it certainly takes money, we all recognize that.

Mr. BRADFIELD. I am not a social worker and I am really not qualified perhaps to tell you how that should be accomplished. I simply am an observer in that I realize that good design is necessary for good housing for the elderly, but I also realize just as much that the services are necessary. The services that are provided in most communities are probably adequate. What is inadequate frequently is the ability to coordinate those services. It is frequently done by a committee, volunteer committee, and those folks are not qualified, they do not have the time to devote to it. We need somebody who is paid, whose sole purpose is to get out and coordinate those services for the elderly. The services are frequently there, but they just are not available or accessible to the elderly tenants.

Senator FOWLER. I want to pursue your criticism of the obstacles on the 202 program. Have you seen any signs that HUD is moving to eliminate those regulations and obstacles that you described, such as the fair market rents that cannot cover the debt service of construction?

Mr. BRADFIELD. I have not seen HUD make any moves as an agency to remove those. Unquestionably the Cranston-D'Amato bill will——

Senator FOWLER. Will do it.

Mr. BRADFIELD [continuing]. Will do it. As an agency, I have not seen HUD do anything about cost containment guidelines. However, in private conversations with individuals out of Central Office in Washington, they are all saying that the guidelines are ridiculous. We do not know who drafted them and no one will admit to it. [Laughter.]

But the fact is that they are there. When they admit that their own program does not work, you would think they would go about doing something about fixing it, but they do not seem to be doing that at present. I think cost containment under the Affordable Housing Act will probably be thrown out or at least will be modified to where you can meet the spirit of cost containment. And I am not against cost containment, I do not believe in throwing away money on housing if you can accomplish it in any other way. I believe that housing should be well-designed, it should be designed with good quality materials and it should be made to serve the specific tenants, but I do not believe in wasting money on subsidized housing. Cost containment is a good concept, it is kind of like the flag and mother and apple pie, you cannot be against something that makes that much sense. It is the application of those rules today that are really giving us problems.

Senator FOWLER. As a premier and award-winning designer, with your design hat, what are the most important and cost effective design changes that can be made and must be made relative to the new low-income housing for the elderly that we are going to produce?

Mr. BRADFIELD. Well as I mentioned, I am serving on the Affordable Housing Task Force of the Institute now, and that is one of the things that we are studying to find if in fact there are any new methods of design that are going to produce more affordable housing, not just for the elderly but across the entire spectrum of housing.

I have personally done a great deal of research on modular design. I am convinced that, just as the Clayton project, that I can do a better job by using standard sizes of materials if I can make contractors understand that method. And what I attempt to do is sit down with them and explain that method to them. We very successfully completed a project in Milledgeville, Georgia not long ago, the past home of Mr. Lane. We did a 40-unit elderly project there using this system. It was a 202 project, we brought it in the budget, we did not have to go to Central Office to ask them for more money. It is unusual to be able to do that, and we accomplished that there. The contractor at the end of the job said he could have carried the waste away in a bushel basket. You could have practically built the project without a saw because we did not cut things and throw them away.

Those are some ideas. They are only ideas at this point, and they are not really new ideas. They have been studied by the National Association of Homebuilders and the American Institute of Architects and everybody who is involved in building. I think there is going to have to be something done to revolutionize construction methods before we are ever really going to achieve affordability in housing production. I do not know what that is, I do not have the answers for you today, but as I said we are working on it and hopefully we will have some answers.

Senator **Fowler**. Well you know where to find me, so when you come up with it, please call.

Mr. **Bradfield**. Yes, sir, I sure do.

Senator **Fowler**. Mr. Bradfield, thank you very much. I will excuse you in order to meet your plane, but thank you for making the effort, it was very helpful.

Mr. **Bradfield**. Thank you.

Senator **Fowler**. Next we have Mr. Roy Lane, Director of the Albany, Georgia Housing Authority, here to discuss issues facing the elderly in public housing. I must say to Mr. Lane that he has done an extremely fine job of keeping me informed on these problems and trying to help me in my education to be helpful, and I am very grateful.

Welcome, Mr. Lane.

STATEMENT OF ROY LANE, GEORGIA ASSOCIATION OF HOUSING AND REDEVELOPMENT AUTHORITIES

Mr. **Lane**. Thank you, Senator. We very much appreciate having the opportunity to be here today. I am representing the Georgia Association of Housing and Redevelopment Authorities and thankful for the assistance that Steve and others of your staff have lended to us as we have tried to share with you some of our new ideas on addressing public housing issues in the country. We recognize there are limited budget constraints and other things, but we feel that public housing has a role to play in our country's housing activities.

Along those lines, I have to share with you in addition to our testimony a video production which we have recently put together which addresses public housing operations in this State. I think it shares a different perspective of public housing than we often see and it vividly illustrates some of the activities that are involved in addressing the elderly that reside in public housing. As many may not understand, approximately 30 percent of public housing units are occupied by the elderly, so outside of the 202 and Farmers Home Programs, public housing is home to many of Georgia's elderly.

We thank you for the opportunity to make our testimony today. I do come representing the Georgia Association and also am Director of the Albany Housing Authority and the Lee County Housing Authority, which is a 99-unit program in rural Georgia. So I have a metropolitan background as well as the rural background.

As you alluded to in your opening remarks, a housing crisis does exist in our country today. Our national media has done a fine job of pointing out the problems of the homeless and has done a good job of sharing with us the affordability issues facing young couples as they try and buy their first home. Unfortunately very little attention has been paid by the media though to the problems of elderly in obtaining and maintaining housing in their senior years. We hope that today's hearings will help much needed attention to those housing needs of elderly in America.

There exists in this State today a need for more than 6,600 units of subsidized rental housing for the elderly. The HUD office in Atlanta estimates that 3,900 of these units are needed in metropolitan communities, while 2,700 units are needed in other areas of the State. And as you and others in the previous panel have noted, our elderly population is rising dramatically, so these needs will raise in a corresponding fashion.

Unfortunately needed Federal funding to meet this growing need for elderly housing has dwindled in recent years. You noted that HUD has had cutbacks of over 80 percent in their funding since 1980. Since 1980, the Federal government in turn has produced construction funding in Georgia for less than 1000 units of elderly housing for low-income Georgians.

I must also point out though that most of this has been done through the 202 program because since 1984, HUD has targeted all of their public housing money for large family units, three and four bedroom apartments.

Senator **Fowler**. Right.

Mr. **Lane**. So as a result, elderly housing has only been constructed in a few communities in Georgia during this period. As a result, thousands of low-income Georgians today are living in less than desirable housing, they are struggling to pay their rent and their high utility bills and meet their rising medical expenses, primarily on meager social security earnings. The vast majority of the people that are seeking elderly housing with public housing agencies are widows or widowers that are living on incomes far less than $10,000 a year. These people and/or their deceased spouses generally worked throughout much of their life but unfortunately were not able to work for companies that provided retirement programs in addition to their social security system. These people do not seek an extravagant lifestyle, but they do want to enjoy their retirement living in housing that is decent and affordable. These people also desire to live in housing areas that are safe and that can provide them with opportunities to socialize with their contemporaries. And finally and most important, as others have said today, most of these people either have no family to live with or have a desire to remain independent during their retirement years.

That chance to live one's retirement years in independent housing and avoid premature institutionalization is very important to our Nation's elderly. Public housing agencies, much to many people's surprise, view themselves as human service agencies. From the HUD funding level, we are primarily a bricks and mortar program, but we recognize that the people that live with us have greater needs than just a decent place to live that they can afford.

With that in mind, housing agencies with their limited funding, working in conjunction with local community service agencies, strive to provide support services to elderly residents so that independent living will be possible. Nutrition programs, transportation, basic health screening, recreational programs are among the array of services often provided to elderly public housing residents either directly by the agency or in conjunction with community service agencies.

As has been pointed out though, many of our people, as they grow older, have greater needs than just an opportunity to go to the senior citizens center and interact with each other and have a place to have a hot meal. As a result, higher level and wider range of support services must be made available to the elderly who have health problems if we truly hope to allow them to age in place.

Experience under the Congregate Housing Services Program since 1979 has demonstrated the value, workability and efficiency of funding special design features and support services needed to allow people to age in place. Attached to my statement is information provided by our national association, the National Association of Housing and Redevelopment Officials, on the need for supportive housing for frail elderly or handicapped persons.[1] This information points out the program savings for special design features and support services and points out that they produce significant savings when compared to the annual cost of intermediate care in nursing homes.

As a result of these findings, our State association supports continued funding and expansion of the funding of the Congregate Housing Services Program and hopes that this approach to provide needed elderly housing can be expanded through the passage of the proposed Cranston-D'Amato bill.

There are some related considerations I would like to point out also.

As we try to attempt to address the rental housing needs of the elderly in this country, I think one of the things that we find in many of our public housing agencies is that the elderly have a real desire to live in elderly designed environments. Many of our elderly are forced to live surrounded by a lot of our family projects, and while there is benefit from the interchange of generations, we do from time to time have some friction that develops from the youth playing and interacting with the elderly.

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[1] See p. 90.

In addition to that, we are finding in our elderly and handicapped neighborhoods that we are having a need to house more and more of our disabled young people in those properties. Many of those are young, they enjoy a different lifestyle than our senior citizens, and we would like to see our programs allow us to address the needs of both, but where possible, to make it designed where the elderly can be living in areas that are elderly only versus having to interact with many of our younger people. I know we opened an elderly high rise in Albany and for the first year we had a real get-acquainted opportunity as the elderly interacted with a number of our youthful handicapped.

In addition, we think that project-based assistance versus tenant-based assistance is probably the most desirable way to address the problem of elderly housing on the long-haul. We recognize that some elderly people will prefer to live in private housing outside of an apartment setting. We think that vouchers can provide some of those opportunities and we think there is a need for a limited amount of vouchers for that segment of the population.

But our experience does indicate that low-income elderly persons that reside in apartments managed by 202 sponsors or public housing agencies are generally better able to utilize needed support services because they are in a self-contained neighborhood.

One of the other problems we see with tenant-based assistance versus project-based assistance, if you are not going to let that tenant-based assistance be portable and then move into a 202 project or an elderly public housing property, then when that person becomes unable to live in that private housing, then their assistance is no longer valuable to them.

A third position that we want to share with you is to make a comparison of what is the benefit of a variety of housing providers in a community. We believe that competition among providers is good for the elderly. It gives them some choice. As a result we think that 202 housing, public housing and Farmers Home serve some benefits. We want to point out though that there are conflicts that come into play sometimes when one funding agency allows their provider greater amenities than other funding agencies. As a result you can have properties that are not rented up because you can get better housing over somewhere else.

The last thing I would point out is to re-emphasize what Dick Bradfield said, cost containment and housing design criteria often make it difficult for us to build something in a timely fashion and something that speaks to the overall needs down the road. We designed a high rise in Albany, but yet we had no electric doors, so how do you put people in wheelchairs—how are they able to gain access. We wanted to build some roll-in showers but those type things, before the new 504 regs, were not permitted under the design guidelines.

In closing, the Georgia Housing Association—Georgia Association of Housing and Redevelopment Officials believes that we must find the will and the means to address our Nation's housing problems. We certainly hope we will address the needs of young families to become homeowners, we hope we will address the homeless problems of our low-income families, but we feel we certainly cannot neglect to address our nation's elderly housing needs. The elderly have made their contributions to our society, so we believe that we need to devote our energies to finding ways to make it possible for them to spend their retirement years in decent, safe and affordable housing.

Senator Fowler, we commend you for holding these hearings, we thank you for the opportunity to participate and we hope our remarks are of some value to you in your Budget Committee work.

Senator Fowler. Thank you, Roy, they certainly are and especially because of the precision of your analysis and recommendations. I appreciate that very much.

[The prepared statement of Mr. Lane follows:]

STATEMENT ON ELDERLY HOUSING NEEDS

PRESENTED BY
GEORGIA ASSOCIATION OF HOUSING & REDEVELOPMENT AUTHORITIES
ATLANTA, GEORGIA
JULY 10, 1989

A housing crisis exists in our country today. Many low income families are without a permanent place to live and a growing number of young couples find it impossible to become homeowners. These housing problems have been well documented by the media but little attention has been focused on the housing problems of the elderly. Hopefully, today's hearing will help to bring much needed attention to the housing needs of the elderly in America.

Housing Needs of the Elderly

There exists in this state a need for more than 6600 units of subsidized rental housing for the elderly. The HUD office in Atlanta estimates that 3925 units are needed in metropolitan communities, while 2705 units are needed in other areas of the state. And, of course, everyone would acknowledge that the need for elderly housing will rise as the elderly population in our society continues to increase.

Needed federal funding to meet the growing need for elderly housing, however, has dwindled in recent years. Since 1980, the federal government has provided construction funding for less than 1000 rental units of elderly housing for low income Georgians. It should also be noted that since 1984 HUD money for public housing development has been targeted by Congress for the construction of large family housing. Therefore, new elderly housing has been constructed in only a few Georgia communities during this period.

In turn, thousands of low income Georgians are living in less than desirable housing and struggling to pay rent and high utility bills and medical expenses on meager social security benefits. The vast majority of the people seeking elderly housing assistance are widows or widowers with incomes of less than $10,000 per year. Generally, these people or their deceased spouses worked throughout their life but were not fortunate enough to work for employers that provided a retirement plan. These people do not seek an extravagant lifestyle but they do want to enjoy their retirement living in housing that is decent and affordable. These people also desire to live in housing areas that are safe and that can provide them with opportunities to socialize with their contemporaries. A number of these people have no family to live with, while others prefer to remain independent during their retirement years.

Support Service Needs of the Elderly

The chance to live one's retirement years in independent housing and avoid premature institutionalization is important to our nation's elderly. Public housing agencies working in conjunction with local community service agencies strive to provide support services to their elderly residents to make independent living possible. Nutrition programs, transportation, basic health screening and recreational programs are among the array of services often provided to elderly public housing residents. These services help make it possible for elderly people in good health to remain active and happy.

A higher level and wider range of support services, however, must be available to the elderly who have health problems if we hope to enable them to age in place in public housing.

Experience under the Congregate Housing Services Program since 1979 has demonstrated the value, workability and efficiency of funding special design features and support services needed to allow people to age in place in lieu of being institutionalized. Attached to this statement is information provided by the National Association of Housing and Redevelopment Officials on the need for supportive housing for frail elderly or handicapped persons. This information points out that program costs for special design features and support services produce significant savings when compared to the annual costs of intermediate care in nursing homes.

As a result of these findings, GAHRA supports continued funding of the Congregate Housing Services Program and hopes that this approach to providing needed elderly housing will be expanded through passage of the proposed Cranston-D'Amato Bill (S.565).

Related Considerations

In attempting to address the rental housing needs of the elderly in this country, there are other factors that should also be considered.

First, we need to recognize that many elderly people like to live in an elderly only environment. The elderly generally prefer the companionship of people their age, so we need to keep this in mind as we design new housing for the elderly. Compatibility problems often result when the elderly share housing areas with younger handicapped persons. Also, we all know of the many problems the elderly can encounter when elderly public housing units are surrounded by family housing.

Second, GAHRA believes that the majority of elderly housing assistance should be project-based assistance. There is no doubt that some elderly people do prefer to live in private housing outside of an apartment setting. But, our experience indicates that low income elderly persons that reside in apartments managed by 202 sponsors or public housing agencies are better able to utilize needed support services. To help the elderly age in place, we believe projectbased assistance is the most appropriate way to address elderly housing needs.

Third, it is our position that there is a need for elderly housing needs to be met by both public housing and 202 sponsors. Competition among housing providers and a choice of housing options would be beneficial to the elderly. We must point out, though, that conflicts do exist in some communities when elderly housing assistance is available through more than one housing provider; these conflicts generally exist only when one provider has a competitive advantage because of superior property amenities. HUD should keep this in mind as it approves new construction projects and as public housing modernization funding requests are reviewed. We hasten to point out, however, that outside large metropolitan centers, it is often difficult to build 202 housing. Experienced local non-profit sponsors are usually not available in these areas. For this reason, public housing may be the most viable way to provide needed elderly housing in a majority of the communities in Georgia

Summary

The Georgia Association of Housing and Redevelopment Authorities, the professional organization representing over 200 local public housing agencies, believes we must find the will and the means to address our nation's housing problems. We must help young families become homeowners, we must help low income families have an affordable place to live, but we must also not neglect to address our nation's elderly housing needs. The elderly have made their contributions to our society so we need to devote our energies to finding ways to make it possible for them to be able to spend their retirement years in decent, safe and affordable housing and avoid premature institutionalization.

We commend Senator Fowler for holding this hearing to gain insight into elderly housing issues and we hope that this hearing will help focus more attendion on the housing needs of elderly Americans. We thank you for the opportunity to be a part of this hearing and we hope this statement will be of value to Senator Fowler in his work on the Budget Committee.

ATTACHMENT

NAHRO National Association of Housing and Redevelopment Officials
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NAHRO STATEMENT ON SUPPORTIVE HOUSING FOR FRAIL ELDERLY OR HANDICAPPED PERSONS

MAY 22, 1989

Experience under the Congregate Housing Services Program (CHSP) since 1978 has demonstrated the value, workability and efficiency of supporting frail elderly or handicapped persons in independent, congregate federally-assisted housing. Since that year, 31 public housing agencies and 30 Section 202 sponsors have served over 2,200 persons in livable environments conducive to their maximum independence and well-being in a demonstration program. Program costs, including rent, have been documented to be about one-third less than the cost of intermediate care in nursing homes: annual savings have been conservatively estimated at from $4,233 to $5,880 per person. Much has been learned about how to administer supportive services in congregate housing, including the targeting of services to those most vulnerable to institutionalization. (A summary of CHSP experience is contained in Dignity, Independence and Cost-Effectiveness: The Success of the Congregate Housing Services Program: A report by the Chairman of the Subcommittee on Housing and Consumer Interests of the Select Committee on Aging, U.S. House of Representatives, December, 1987).

This experience is now ready to be extended to additional vulnerable persons residing in federally-assisted housing. It is currently estimated that there are 1.52 million elderly households (over 65 years of age) in federally-assisted housing, with over 600,000 of these in public housing. Experience indicates that about 25 percent (380,000) of these total households have some frailty (e.g. inability to carry out tasks of daily living). Also, about 25 percent (95,000) of these households are estimated to be "at risk" of being institutionalized at substantially higher costs.

NAHRO strongly supports an expanded program of Supportive Services for Frail Elderly or Handicapped Person in Federally-Assisted Congregate Housing, with the following components:

- retrofitting of federally-assisted housing for Congregate living.
- establishment of a position of Services Coordinator in Congregate Housing Developments, funded through federal operating assistance. In the case of public housing, this funding should be separate, and in addition to, funding under the Performance Funding System (PFS).
- provision of a 15 percent contribution toward the support services required by "at risk" frail elderly or handicapped persons to maintain their independence -- this contribution would be "incentive" funding toward procuring the balance of services funding from other sources.

Helen L. Sause, President, **Apolonio Flores**, Senior Vice President, **Michael A. Garcia, Jr.**, Vice President-Commissioners, **William H. Garrett**, Vice President-Community Revitalization and Development, **Jack Quinn**, Vice President-Housing, **Michael F. Hanratty**, Vice President-Member Services, **Ophelia B. Basgal**, Vice President Professional Development, **Richard Y. Nelson, Jr.**, Executive Director

The attached Table estimates the number of assisted housing developments that could be retro-fitted, and the number of persons that could receive supportive services in these developments for a five-year period, under an authorization/appropriation of $25 million.

DEFINITIONS:

(1) Retrofitting for Congregate living may include a range of physical alterations. A minimum level of retrofitting could include the provision of a common kitchen or dining room for meal service; or installation of grab bars, remote shower heads, security signal, etc, in resident apartments. A mid-level of retrofitting would include the above items, but with more extensive rehabilitation of community space for delivery of support services, and more additions to resident apartments. A high level of retrofitting would be comprehensive rehabilitation of an older existing housing development for congregate living. The level required depends on the condition and adaptability of the existing housing development.

(2) Support Services for Requirements of Daily Living many include meal service (up to two meals a day), plus non-medical services such as housekeeper/chore, personal care assistance, transportation, and social service coordination. [illegible] service program is tailored by a Professional Assessment Committee (PAC) responsive to the needs of each recipient. A fee is charged for each service according to the individuals' ability to pay.

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NAHRO
M.K. Nenno
May 17, 1989

COST ESTIMATES FOR RETROFITTING EXISTING FEDERALLY-ASSISTED HOUSING DEVELOPMENTS FOR CONGREGATE LIVING FOR FRAIL ELDERLY PERSONS AND PROVIDING A 15 PERCENT CONTRIBUTION TOWARD SUPPORT SERVICES FOR FIVE YEARS: $25,000,000 AUTHORIZATION

		Cost of Retrofit (1)	Contribution to Support Services (15 Percent of of Cost for 5 Years) (2)
A.	Minimum Level of Retrofit		
	30 Developments of 30 units each	$130,000 each x 30 = $3,900,000	900 Persons at $34.50 per month = $1,863,000
B.	Mid-level of Retrofit		
	25 Developments of 50 units each	$450,000 each x 25 = $11,250,000	1,250 Persons at $34.50 per month = $2,587,500
C.	High-level of Retrofit		
	5 Developments of 100 units each	$1,500,000 each x 5 = $4,500,000	500 Persons at $34.50 per month = $1,035,000

Total (3)	Cost of Retrofit	=	$19,650,000
	15% of Cost of 5-Year Services	=	5,485,500
	Total		$25,135,500

60 Developments and 2,650 Persons

Helen L. Sause, President, **Apolonio Flores**, Senior Vice President, **Michael A. Garcia, Jr.**, Vice President-Commissioners, **William H. Garrett**, Vice President-Community Revitalization and Development, **Jack Quinn**, Vice President-Housing, **Michael F. Hanratty**, Vice President-Member Services, **Ophelia B. Basgal**, Vice President-Professional Development, **Richard Y. Nelson, Jr.**, Executive Director

NAHRO
M.K. Nenno
5-17-89

NOTES

) Mid-level Estimate of Retrofitting ($450,000) is from University of Illinois in September, 1985 based on the actual estimated costs of retrofitting a public housing development and a Section 8 development. Minimum Level ($130,000) and Maximum Level ($1,500,000) retrofitting estimates are from a NAHRO Memorandum of February 22, 1989 based on estimates received from three PHAs and a State Housing Agency.

(2) The estimated contribution to support services is based on 15 percent of support service costs experienced in the CHSP program ($230 per month) for a 5-year period. It represents a leveraging contribution to stimulate matching services from other sources. A Service Coordinator would be based in the housing agency and supported by federal operating assistance outside the PFS.

Senator **Fowler**. Last but certainly not least, Harriet Macklin of the Housing Assistance Council is here to talk about, I understand, some housing questions that are often left out of these type discussions and hearings or certainly pushed over to the periphery, and that is housing for the elderly in our rural areas.

Welcome, Ms. Macklin.

STATEMENT OF HARRIET J. MACKLIN, HOUSING DEVELOPMENT SPECIALIST, HOUSING ASSISTANCE COUNCIL, INC.

Ms. **Macklin**. Thank you. Good morning to you and to everyone who is here.

Just as a brief introduction of myself, I am employed by the Housing Assistance Council as a Housing Development Specialist serving out of the Southeast Office, so therefore we are very familiar with the southern States, primarily Georgia, but many of the southern States we work in. Also on other hats that I have, along with Mr. Lane, I serve on the Georgia Housing Coalition Board of Directors, which is a housing advocacy organization in the State of Georgia. And I have just recently stepped down as Chair of the National Leased Housing Association which is a national organization out of Washington, professionals who develop, manage, own, finance and invest in government housing for moderate- and low-income families as well as elderly.

Today, I am going to speak on rural housing and I am not going to take too much time except to emphasize some of the things that have not been brought up previously. All the data that the previous speakers brought up in reference to elderly are in fact true. It is not a matter of being true, but the realism of when you are out there working with community groups.

The Housing Assistance Council is a national non-profit corporation supporting the development of rural low-income housing nationwide. For over 18 years now, HAC—and that is the acronym for Housing Assistance Council—has been providing technical housing services, seed money loans from a revolving fund, housing program and policy analysis, training and information services to local and State governments, non-profit and private organizations involved in the production of housing in rural and small town America. Small town America meets the definition of Farmers Home, which is basically 10,000 population and below.

Over the years, we believe that we have a good grasp of both the housing need in rural America and the policies and programs which are needed to meet that need. When we speak of the need in rural America, unlike urban communities, the quality of existing housing in Appalachia, in the south, in the Ozarks, on Indian reservations and what is commonly known now as the Hispanic southwest, is so inadequate that resources for housing rehabilitation and development are essential to ensure decent, safe and sanitary shelter for poverty level households—repeat, poverty level. We are not talking about moderate or upper income, we are talking about subsistency.

Farmers Home Administration programs address rural housing, however there are not enough funds to meet the need, and unfortunately, Senator Fowler, I am going to have to talk about money that is needed, although Congress and others are going to have to make some priority setting where the real need is, whether it is need for elderly housing, elderly services or additional—and I hate to say it but I need to bring it up—military expansion. Our population is growing and in a few years over half of our population will be elderly. And in a few years, as I was telling Roy earlier, I am going to be in that category and I would like to know——

Senator **FOWLER**. We want you to talk about the public interest, not the private. [Laughter.]

Ms. **MACKLIN**. The Housing Assistance Council was able to present information on the Senate Bill 566, which is the Cranston-D'Amato piece of legislation. And we find that unfortunately none of the activities of housing is directed toward rural areas. We believe that there should be a fair share allocation for rural areas. Out of the $4.1 billion in new money contemplated, none of it is directed toward rural housing.

Unfortunately, the last administration thought that substituting vouchers for needed construction would be the most effective way of addressing the lack of safe, sanitary and decent housing. But here in the south, as you know, Senator, we have the problem of availability. The available rental units often do not meet the housing quality standard, which is the standard—minimum standard that is set by Section 8 programs as well as just actual available units, rental units. The syndrome in the south is more home ownership and even the homes that are rented are usually the first home of another family, not apartment complexes for the most part.

The vouchers and certificates meet a need in urban but not necessarily in rural areas because most of the elderly live in their own home. I address you to the little fact sheet [1] that I have got there with facts on rural elderly which gives some of the facts of where we are and the data states, for example, that of the States having the largest number of rural elderly, Georgia is right there. Alabama, Georgia, Kentucky, Mississippi, to name a few.

Most of the elderly in rural areas live alone, own their own home, have no vehicle, have no telephone. So they are almost isolated if they do not have family nearby.

Due to limited income, they have the problem of repairs. Many of those homes lack plumbing, there is no money for that. What money they do have they have to keep it for medicine and for food, the essentials. They do not have the exorbitant capability to get money for repairs, so therefore the repairs go lacking. And in areas of the south, north Georgia for example, north Mississippi and Alabama, central heating is very important. There is none. We find a lot of homes—in my past employment I used to be the Section 8 Existing Director for the Georgia Residential Financing Authority, so we administered the Section 8 program throughout the 149 counties in the State and we found in north Georgia often that we had elderly who were using wood for heat, which is all right but unfortunately because of the frailness and sometimes often sick, they are not able to get out there and cut the wood. So therefore they will go without heat and that amplifies the concern of not having central heat.

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[1] See p. 99.

Another group we have concern with is farm worker elderly. No one has spoken about that, and in the southeast we have such. Elderly people—or people who have worked their years, toiled in the fields, put groceries on our tables, but unfortunately when they become elderly have no resource—I mean absolutely no resource. The housing that they did live in when they were migrant farmers was poor. Now it is even worse as elderly. And unfortunately many of them are not able to get social security, so that makes it even worse for them to provide any assistance to themselves or find assistance. Because of the residency requirements in various States and communities, they have problems getting assistance that we normally attribute, the elderly being able to go to the county seat or community to get.

That—as I said, I do not want to go on and on and on, but——

Senator FOWLER. Just summarize for me, Harriet, so we can talk.

Ms. MACKLIN [continuing]. Did want to bring up those items.

In our testimony of course we give the data background reference on Mississippi and Georgia in reference to their concerns. But let me just bring out a couple of points about 202.

We, in the past few years in the Housing Assistance Council, have been very active with assisting sponsor group in applying for fund reservation for 202 elderly housing. And unfortunately we have had some successes and other times we have had some failures similar to what Mr. Bradfield has brought out, but other times after the fund reservations have been designated and gotten into the processing procedures, haggling backwards and forward with the architect of the project often finds that there is a waste of time and lack of processing and therefore longer time of getting those units actually into the ground and occupied.

We find in the opposite with 515 rural—Farmers Home rural housing. The processing seems to be a little bit shorter. They are putting projects into the ground, their architectural problems, as Mr. Bradfield pointed out, are not apparent and one thing that we are finding out with HUD also is that we have got fund reservations going back to 1984–1985, but the units have not gotten in the ground.

Senator FOWLER. Right.

Ms. MACKLIN. I will end with that and answer any questions you have. Thank you.

Senator FOWLER. Thank you very, very much, Ms. Macklin.

[The prepared statement of Ms. Macklin follows:]

HAC
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Statement of

Harriet J. Macklin
Southeast office
of
The Housing Assistance Council, Inc.

Before The

United States Senate
Budget Committee

Regarding

Housing and Support Services for the Elderly

July 10, 1989

Atlanta City Hall Council Chambers
Atlanta, Georgia

National Office: 1025 Vermont Ave., N.W. • Suite 606 • Washington, D.C. 20005 • (202) 842-8600

Mr. Chairman, Members of the Committee, I am Harriet Macklin of the Housing Assistance Council. Please accept my appreciation for the opportunity of addressing you this day, on a very important issue --elderly housing.

The Housing Assistance Council is a national nonprofit corporation supporting the development of rural low-income housing nationwide. For 18 years HAC has been providing techncical housing services, seed money loans from a revolving fund, housing program and policy analysis, training and information services to local and state governments, nonprofit and private organizations involved in the production of housing in rural and small town America. Over the years, we believe that we have a good grasp of both the housing need in rural America and the policies and programs which are needed to meet that need.

NEED FOR MORE HOUSING IN RURAL AMERICA

Unlike urban communities, the quality of existing housing in Appalachia, in the South, in the Ozarks, on Indian reservations, and in, what is commonly known as the, Hispanic Southwest, is so inadequate that resources for housing rehabilitation and development are essential to ensure decent, safe, and sanitary shelter for poverty level households.

Farmers Home Administration programs address rural housing, however there are not enough funds to meet the need. The FmHA offices around the country have in hand, waiting to be funded, approved applications for rental and homeownership loans totaling two and one-half times the dollars authorized in S566. Of the 4.1 billion in new money contemplated, none of it is directed toward rural areas. HAC believes there should be a fair share allocation for rural areas.

The last administration thought that substituting vouchers for needed construction would be the most effective way of addressing the lack of safe, sanitary and decent housing. In the south, the available rental units often don't meet the HQS (housing quality standard) established, or there aren't available rental units to match the limited number of vouchers/certificates. Besides, this does not assist many of the rural elderly.

FACTS ON RURAL ELDERLY

* The Annual Housing Survey has reported that 80% of rural elderly **own their own homes**; most have their mortgage paid off and most have lived 20 years or more in their current homes.

* 1986 - 10 million people at least 60 years of age
  7.4 million were at least 65 years of age

* States having the largest number of poor, rural elderly
  - Alabama
  - Georgia
  - Kentucky
  - Mississippi
  - North Carolina
  - Tennessee
  - Texas

- West Virginia

- **More than half the rural elderly poor live alone, own their home (however dilapidated), and many have no vehicle or telephone.**

- In 1984, USDA reported that rural elderly are more likely to have housing problems and are likely to reside in severely deficient housing, exposed to health and safety hazards.

- Rural areas have too few nursing home beds for those who truly needed nursing home care. Intermediate care facilities in rural America are even more scarce.
- Because of **poverty**, there are more than 300,000 rural elderly households lack plumbing and 1.7 million have no central heating.
- In 1980, Georgia had over 700,000 citizens that were 60 year or older, considering good health, and modern medicine there are many more today in 1989.
- One in every four elderly Georgians is classified as living in poverty, as of 1980.

ELDERLY FARMWORKERS, ANOTHER UNDERSERVED GROUP

The Housing Assistance Council, along with the National Task Force on Older Farmworkers, have made several suggestions for legislative initiatives which would address the housing need of the elderly, disabled and retired farmworker who is forced to live in substandard housing conditions. Presently, federal programs which should assist farmworkers are inadequate in both design and funding, relying on a rather unrealistic assumption that growers have a greater responsibility to house their workers than the employers of any other industry.

Why should we be concerned about these elderly? Older farm laborers, like other elderly poor,suffer from poverty and have health problems, and live in poor housing. But the older farmworker often do not qualify for Social Security or other assistance programs. After a life of toil, many may find themselves in an even worse situation than they experienced during their working years. At least, then they could work. To start we, recommend a national survey of the farmworker population be undertaken. The Bureau of Census and USDA acknowledge that farm laborers are undercounted. Most farmworkers are low-income, are Black, Hispanic, male and are southern. We also feel if HUD and Census made an assessment of migrant shelter needs, the assessment would compare 1) the migrant population at its peak in every location having a significant migrant influx with 2) the supply of safe, sanitary, and weathertight units available for use in that location. Then, new housing programs for migrant and retired farmworkers will begin to meet the need for decent shelter. Alternatively establishing retired-farmworker set-a-sides in a range of federal programs will help fill the gaps.

THE NEED IN GEORGIA AND MISSISSIPPI

Now let us address the south in more detail, especially

Mississippi and Georgia. The state of Mississippi has recently completed a report (November, 1988) entitled a "A Decent Home For Every Mississippian". We must give Governor Mabus a lot of credit for taking on this issue. Other southern governors have shy away or have done little to improve shelter for its poor and homeless. Often, they are quick to say that we use the McKinney Fund to address that need.

The report states that 24% of all occupied housing units are headed by a person over 65 years. Over 80% of these units are without complete plumbing were located in rural areas or towns of less than 2,500. Three-quarters of elderly householders own their homes, and because they are often on fixed or limited incomes, paying for upkeep and maintenance can be a major problem. Further, in 1980 Census indicates that over 41% of renter households in Mississippi paid more than 25% of their income in rent. Over 2800 elderly headed households are among this number.

Georgia Residential Finance Authority, the state housing finance agency, completed a report entitle "The Special Housing Needs of Georgia's Elderly Population", published in 1985. It reported that the 70% of Georgia's elderly households are homeowners, for which 50% are located in rural Georgia. Another national pattern shows up in Georgia. That is that the elderly homeowner has live in the home a long time and have no monthly mortgage payments, but postponed repairs because of income is needed for more pressing items, such as food and medicine.

In contrast, most elderly renters reside in Metro Atlanta or other Metro areas. These elderly renters are overwhelmingly poor (less than $5,000).

HAC EXPERIENCES IN RURAL HOUSING

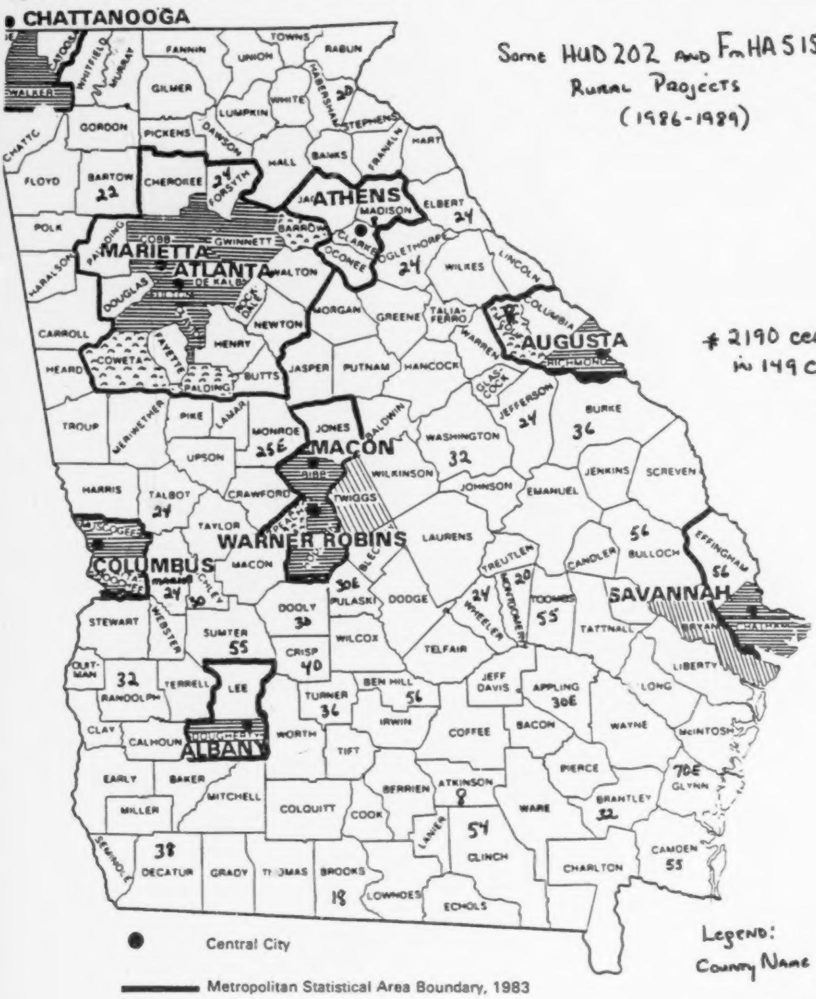
Two of our field officies have direct hands on responsibility for techncial assistance with citizens in rural American. In recent years the southeast office of HAC has assisted many non-profit sponsors to apply for the HUD 202 elderly and handicapped housing program. Many applications have been submitted and few have been funded. Early in HUD's 202 life, there was congregate housing and plenty of units allocated per state. Lately, no congregate housing, cost containment and few units (74-Ga., 85-Ms.). The program is structure such that the applicant must have a consultant or take two years to understand the process. Even with the need of consultants, we are informed of many consultants getting out of the 202 market, due to delay in processing and limit number of units available. These consultants are not getting the now famous $1,000 per unit fee for their services, especially considering it takes nearly three years to complete.

In early 1980, HAC decided to use the syndication process to develop housing in rural communities, since almost all of the new construction programs and all the rental assistance was being eliminated. In this new venture, we used the FmHA 515 program along with syndication to create a pool of funds for rental assistance for the family projects. Depending on the state, there wasn't FmHA rental assistance funds for elderly projects, so the syndication proceeds were "life savers". In the development of these projects, we find that for-profit developers are not participating because of the lack of a "reasonable return". In order to meet the need of affordable housing in rural American, we need developers, investors, and owners and managers for the #515 projects.

In the wake of the HUD scandel, we hope consideration is given to the effectiveness of the programs and how many elderly could be housed. Take the politics out, but keep the sensitivity in and the committment to provide safe, sanitary, decent and affordable housing to those in need.

I cannot conclude my statement without mentioning our support for your effort in addressing the elderly housing problem. Claude Pepper would smile, if he could, knowing that his Congressional colleague was addressing the needs of senior Americans. That concludes my statement, Senator Fowler. If there is anything more we at HAC can do to provide technical information, please contact us. THANK YOU.

opolitan Statistical Areas: 1988



Some HUD 202 and FmHA 515 elderly
Rural Projects
(1986-1989)

2190 cert/vouch
in 149 counties -
GRFA

Legend:
County Name: 00
FmHA

County Name: 00E
HUD 202

FmHA Housing Units Fiscal Years 1979 - 1988

Program	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	Est 1989[d]
502 Subsidized	64,264	62,739	61,544	56,850	51,211	43,459	40,813	25,475	24,077	25,869	25,479
502 Unsubsidized	29,136	18,918	7,990	5,107	709	20	1	4	8	334	N/A
502 Above Moderate	374	590	172	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
504 Loans	5,213	6,934	5,296	2,771	1,993	2,057	2,315	2,018	1,707	2,145	3,139
504 Grants	6,407	8,013	7,014	3,937	3,670	3,416	3,464	3,897	3,403	3,384	3,302
514 FLH Loans[a]											
516 FLH Grants	2,575	1,606	913	565	301	775	653	731	413	421	380
515 Subsidized	36,521	33,564	29,643	30,616	23,406	29,772	28,218	21,252	17,434	16,489	15,930
515 Unsubsidized	2,219	2,227	784	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
533 HPG Preservation	N/A	N/A	N/A	N/A	N/A	-0-	-0-	4,106	4,055	4,450	4,253
Subtotal Units	146,619	134,642	113,356	99,846	81,290	79,499	75,464	57,483	51,097	53,092	52,483
Rental Assistance[b] Units	22,623	20,000	17,655	14,280	11,750	11,750	15,250	14,511	24,921	24,921	24,921
Total Units[c]	169,242	154,642	131,011	114,126	93,040	91,249	90,714	71,994	76,018	78,013	77,404

(a) Units for Sec. 514 and 516 are combined.
(b) Includes new, renewal and servicing rental assistance units.
(c) Not unduplicated units. Housing unit production contained in subtotal
(d) Requires 100% use of all program funds.

Senator **Fowler**. Mr. Lane, let me go back a little bit to start at the beginning. How do admissions policies affecting the elderly, whether it be for services or for housing, vary in different parts of Georgia?

Mr. **Lane**. The admissions policies for public housing are fairly consistent. In cases where there is some elderly designed specific properties, then the elderly are able to compete for those units on a waiting list with elderly candidates only. Where they are intermixed and they are not elderly only units, then they are competing with families for the one-bedroom properties.

Senator **Fowler**. I see.

Well what are some of the problems that face the elderly in applying for supportive services?

Mr. **Lane**. The supportive services basically are an issue of two things. One is availability and two is affordability. As I noted, basic services in the majority of the communities where there are Councils of Aging available, you have nutrition and transportation programs, but when you get into the higher level of services of needing homemaker services, needing someone to come in and clean the apartment so that they can remain independent in lieu of having to move out, or where they have some basic home health needs, there is often a long waiting list for those services that are federally subsidized and if you are not able to afford those services, then you just have to wait a great deal of time.

Senator **Fowler**. And it is 6,600 units short now, is that the statewide estimate?

Mr. **Lane**. Correct. And I would say that that number, if it is based primarily on waiting lists for public housing may be skewed somewhat to the downside, because our experience has been that the elderly are not as prone to come in and apply with the outlook of waiting for 4 to 5 years for their needs to be meet, than maybe a family might. We have seen that generally our waiting list for elderly rises dramatically when there is a construction project underway.

Senator **Fowler**. The reason for these hearings always seem to be met, one thing you said that fascinates me—I am going to have to think about it, I never had thought about it before, is the—what I am sure you accurately describe as the desire for many of the elderly to live in projects designed exclusively for the elderly and separated from families.

And let me just react as sort of the devil's advocate. One of the major problems that we have in this country is the dissolution of families and the fragmentation of families, the fact that for 3000 years of history, children and parents and grandparents used to all live together and offer each other what we now call basic support services, when there was not any government assistance. And of course we all know many people, older citizens, who would love to have children and grandchildren around, whether or not they were theirs, as a way to continue the vitality of life and learning from what used to be a family experience that because of our modern times has separated us all.

Just tell me a little more. You have obviously come to the conclusion that as a policy matter we ought to pursue elderly only design with the exclusion, as you testified, of anything but handicapped, with the elderly. Is that a matter of consensus with the professionals such as yourself who look at this or is that a matter still of controversy for some of the reasons that I just outlined?

Mr. **Lane**. I think you would have differing opinions. I think there is a general consensus though that our elderly prefer an environment that is a lot more controlled and of their contemporaries. We too recognize the value of what you have referred to as the strengthening of the families and the interaction and whatever, and at our agency we have established a program called the Adopt-a-Grandparent program where we have some families adopt some of the elderly who have no family that they interact. What I am referring to though is the fact that in many of these areas, we are putting a single elderly person next door or in a unit and surrounding that are 40 or 50 kids that are being what kids are. They are active and having a good time and I think what I am referring to is you do not necessarily have to do all elderly only, but we need to be recognizing that that is an area where some people desire that activity, plus you are in a better opportunity many times in a public housing agency to provide a different range and level of services for the elderly in an elderly only area where there is community space and those type things that you cannot do in a mixed neighborhood.

Senator **Fowler**. What is the name of this high rise for the elderly that was built 15 years ago on Peachtree beyond Lenox Square.

Voice. Lindbergh Square.

Voice. Canterbury Courts.

Senator **Fowler**. Canterbury Courts is what I am thinking of. I remember when I was on the city council a big zoning fight over having a high rise for the elderly right there and you all know the value of that real estate out there. And though it did not completely mitigate the opposition of those neighbors who felt that that would be a serious diminution of their property values and cause difficulties for the neighborhood, when it was pointed out to those people they were going to get a couple hundred babysitters within a 2 or 3 or 4 minute drive from their houses, all of a sudden there was a little rethinking and people came around.

We are here of course to discuss, and that is why I am thinking out loud, we are here to discuss better policies and programs, but we have also got to figure out, because of all these budgetary restraints, how we do what we want to do in all these discussions without having to invent another program.

Mr. **Lane**. Sure.

Senator **Fowler**. And the more you get people helping themselves, especially the young helping the old as the old have always helped the young, it seems to me that we would accomplish something.

Ms. Macklin, what are the particular health problems or needs that affect the rural elderly in our State?

Ms. **Macklin**. Health problems specifically I am not a professional in that, but I can identify some of the service needs that we have identified through the years. We found for independent elderly, for example, we are finding recreation, transportation and congregate living would be the type of services that would be most helpful.

Now Farmers Home Administration, although they have had it on the books for the 515 program since its initiation like in 1975, they have never implemented the program.

HUD has had this capability back earlier with the 202 programs, but in fact have cut back the cost containment and therefore in the older projects of 202, you find all the various services in congregate living style, but in the newer projects you do not find that because of the cost containment.

When you get into the frail elderly of course, because of the medical assistance that is needed and food services, again recreational or socialization of that personal care, transportation and intermediate care referral, again we are getting older, we are needing more services.

And the other item I added here was the elderly farm workers which need the same type of services but they also have a language barrier, many of them, and some cultural barriers.

Senator FOWLER. Along that line, to what extent do retired migrant farm workers reside in Georgia?

Ms. MACKLIN. I wish I had someone—we could probably give you the numbers, but they are basically in the southern portion of the State.

Senator FOWLER. We can get that.

Ms. MACKLIN. From Albany across to Waycross. We can get the statistics specifically for you. But we are impacted in Georgia also, not as large as Florida or Alabama or Mississippi I do not think.

Senator FOWLER. How would you assess our ability to deliver services to the elderly in rural areas?

Ms. MACKLIN. Right now Farmers Home—so far as housing, Farmers Home is the only one that is really doing it. We are able to build houses——

Senator FOWLER. Farmers Home has a lot of houses already built that have been sitting there empty for 3 or 4, 5 years too.

Ms. MACKLIN. Those are single family. You are going to find that is single family, you are not going to find that with multi-family at all. As a matter of fact, very seldom do you find multi-family. In fact, the last couple of years most of the multi-family that is being built by Farmers Home were elderly projects and they are being given subsidy rental assistance. The data you are talking about, you will find, yes, on the speculative side, are single family. I, as a developer, go in, get 5-10 acres and speculate for 502 Farmers Home which is single family and can or cannot sell so therefore Farmers Home is in the picture again. But on the side that will help the elderly, that is not being shown.

The services of course, many of the CAP agencies in the State of Georgia for example are the ones that provide the services that Roy indicated, the food services, the senior day care activities out in the community, rural areas, that is the only agency for the most part out there in many of the smaller, smaller communities, 500 population. The church, and many times the church cannot afford it, it is too small.

Senator FOWLER. Ms. Macklin, Mr. Lane, thank you so very, very much for your thoroughness and as I said your precision. We will look at those specific recommendations very, very hard.

Ms. **Macklin**. Thank you. In closing I would like to say that if Claude Pepper could look down on us and smile he would be very happy that you are taking up the championship of the cause.

Senator **Fowler**. Good. Thank you very much, Ms. Macklin.

Our last panel I will invite forward; Laurie Zwald, Agnes Spivey, Robert Wilden and Mr. Fred McGinnis. Mr. Rick Wingo is substituting for Mr. McGinnis.

If you will just sit down, then she will worry about where to put the signs.

Leading off this panel is Laurie Zwald, who is long experienced in federally assisted housing for the elderly in developments that provide congregate services and those that do not.

Welcome, Ms. Zwald.

STATEMENT OF LAURIE ZWALD, GEORGIA ASSOCIATION OF HOMES AND SERVICES FOR THE ELDERLY

Ms. **Zwald**. Mr. Chairman and other distinguished participants, my name is Laurie Zwald. I am administrator of the Hellenic Tower, a 202 Section 8 facility for the elderly sponsored by the Greek Orthodox Cathedral of the Annunciation of Atlanta. Our facility was opened on March 1, 1984 and is a post-universe operation which serves the very low-income resident. I appreciate the opportunity to make this presentation on behalf of GAHSA, the Georgia Association of Homes and Services for the Aging which represent not-for-profit facilities throughout the State of Georgia proving housing, health care and community services.

GAHSA is affiliated with the American Association of Homes for the Aging, representing over 3,400 non-profit facilities which serves more than half a million older persons daily.

Today my comments will focus on congregate services for the elderly, premature institutionalization, effects of project design on aging in place as well as marketing problems in relation to mandated numbers of efficiency apartments and the effect of preferential admission in relation to already lengthy waiting lists.

Congregate services for the elderly. In 1984, the Special Committee on Aging of the United States Senate chaired by Senator John Heinz of Pennsylvania, published an information paper, Section 202 Housing for the Elderly and Handicapped: A National Survey. The phrase "aging in place" was brought to the attention of the United States Congress and the public because it succinctly described what those of us in the field of aging had been aware of for many years; that the elderly do not just die, they become frail and vulnerable. It is then appropriate that the U.S. Congress take a closer look at the issue of housing and how it relates to the physical, mental and social well-being of the population being served.

Congregate housing as defined in Senator Heinz' report is, and I quote, "A housing environment which provides necessary support services, including the provision of meals in a central dining facility." In differing degrees, congregate services can include a food plan, housekeeping service for residents, laundry service, linens provided, wellness programs, transportation, 24-hour a day staffing, planned activities and a staff person in charge of resident services like a social worker.

Funding for such services comes from an additional fee for services paid by the resident and from funds donated by a sponsoring body or fund raising campaigns.

Under the present system, HUD does not administer or fund supportive services. A linkage with other governmental agencies that provide services to the elderly, such as the Department of Health and Human Services, with an Assistant Secretary to administer the programs, would be appropriate.

Premature institutionalization. The Congregate Housing Services Program, or CHSP, which was designed to link supportive services with elderly and handicapped housing was initially funded for 63 projects. Although this program has been proven to be a success, it has not been expanded. I think originally the authorization was for $10 million. Appropriations in fiscal year 1989 was $5.4 million. With the kind of supportive services offered in the CHSP, residents can stay in a subsidized facility for a longer period of time. Many frail elderly persons are admitted to nursing homes because they need some assistance with activities of daily living, but are still able to live independently in an apartment setting. This is an important factor because when residents living on a limited income are in need of a nursing home, they cannot afford a facility that takes only private pay patients. The search is then for a medicaid bed. In most nursing homes there is a significant waiting list for medicaid beds. Finding a placement may mean looking in areas outside the community in which they live, which places a hardship on the family and takes the elderly person further away from family and familiar surroundings.

Poor nutrition and improper use of medication is significant in the premature institutionalization of many elderly persons. In my 15 years of working with older persons in the housing field, I am convinced that supportive services can help the elderly maintain a measure of independence and live with dignity in their own apartment. Keeping folks who have a very limited income out of the medicaid bed is not only cost effective but is a commitment to enabling them to maintain a high level of independence. Project design. Only 5 percent of the total building space in a HUD project is allowed to community space. Careful consideration should be given to the current cost containment policies which in the long run could cost more in repair and replacement and insurance coverage. Other considerations in providing for supportive services include more comprehensive communication systems such as pull cords and so forth; bathroom configuration which would allow for showers in a significant number of apartments; safe walking areas on the grounds; lighting appropriate for those with vision problems and the covered porticos to entrances of buildings that many HUD facilities now do not even have a covered entrance for the residents to get out of the car and go into the building.

HUD policy requires that at least 25 percent of the units in a facility be efficiency apartments. This has been a troublesome area in marketing. Since rent is based on 30 percent of the resident's income, those living in an efficiency and a one-bedroom apartment are paying the same rent according to their income. These units are unmarketable and in many instances remain vacant. And some

HUD facilities who report vacancies, it is not in the larger apartments but in the efficiency apartments.

Preferential admission. Another troublesome area for project administrators is the regulation which forces facilities to give preference to three groups: Those living in substandard housing, those whose rent is over 50 percent of their income and those who have been displaced.

While the rationale for targeting these groups is understandable, it is not fair or equitable to the very low-income elderly who have been waiting for years for admission to affordable housing. There is also room for abuse by those who would not want to be placed on a lengthy waiting list.

Other considerations. Income mix in subsidized housing creates a more desirable environment than the strict income limits in the 202/8 post-universe regulations. In allowing flexibility so as to provide a mix of low, medium and market rate admissions, Federal funding would be less costly and enhance a more normal living situation.

In summary, with the fastest growing segment of the population being those 85 plus, there is no question that new approaches to housing for the elderly are required. The escalating costs of health care make it imperative that we find a way to prevent premature institutionalization of those who can maintain an independent lifestyle with a limited amount of supportive services.

Residents of subsidized housing cannot afford nursing homes that take only private pay patients. Therefore, premature institutionalization means filling a medicaid bed. Nursing home care is expensive for the State. Medicaid beds are scarce requiring families to go beyond the community to find placement for their loved ones.

Current HUD policy does not allow for sufficient space to deliver supportive services. Budgetary restraints on facilities preclude sufficient staff to coordinate supportive services. A social services coordinator could facilitate services that would enable residents to "age in place" with dignity. The mandatory number of efficiency apartments in each facility creates a marketing problem, especially when the same percentage of income is charged for all units.

Preferential admission to a certain target group is an undue hardship for the very low income elderly who have been on lengthy waiting lists.

Income mix of low income, medium income and those who pay market rate reduces the amount of funding by the Federal government and fosters a more normal environment.

In conclusion, I want to express gratitude to you, Senator Fowler, for the opportunity to give testimony at this hearing. It is encouraging to me that you want to hear from both residents and those of us who are involved with the elderly on a day to day basis.

My prayer is that somehow the Congress and the President can develop a national policy that will give priority to the welfare of those who are the most vulnerable among us, those who are beginning their lives who need our care and nurturing, and those who want to live out the rest of their lives with dignity and grace.

Thank you.

Senator FOWLER. Thank you very much, Ms. Zwald, very much.

[The prepared statement of Ms. Zwald follows:]

Statement by

Laurie V. Zwald
Administrator
The Hellenic Tower

Georgia Association of Homes and Services for the Aging

before the

Hearing for Senior Citizens' Housing and Services
Senator Wyche Fowler, Jr.
July 10, 1989
Atlanta, Georgia

TESTIMONY OF LAURIE V. ZWALD

REPRESENTING THE

GEORGIA ASSOCIATION OF HOMES AND SERVICES FOR THE AGING

Mr. Chairman and other distinguished participants. My name is Laurie Zwald. I am Administrator of The Hellenic Tower, a 202 Section 8, facility for the elderly sponsored by the Greek Orthodox Cathedral of the Annunciation of Atlanta. Our facility was opened on March 1, 1984 and is a Post-universe operation which serves the very low-income resident. I appreciate the opportunity to make this presentation on behalf of GAHSA, the Georgia Association of Homes and Services for the Aging which represents not-for-profit facilities throughout the state of Georgia providing housing, health care, and community services.

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Today my comments will focus on:

* congregate services for the elderly
* premature institutionalization
* effects of project design on aging in place as well as marketing problems in relation to mandated numbers of efficiency apartments
* effect of preferential admission in relation to already lengthy waiting lists.

CONGREGATE SERVICES FOR THE ELDERLY

In 1984 the SPECIAL COMMITTEE ON AGING UNITED STATES SENATE, chaired by Senator John Heinz,Pennsylvania, published an Information Paper, SECTION 202 HOUSING FOR THE ELDERLY AND HANDICAPPED: A NATIONAL SURVEY. The phrase "aging in place" was brought to the attention of the United States Congress and the public because it succinctly described what those of us in the field of aging had been aware of for many years - that the elderly don't just die, they become frail and vulnerable. It is then appropriate that the U.S. Congress take a closer look at the issue of housing and how it relates to the physical, mental, and social well being of the population being served.

Congregate Housing as defined in Senator Heinz' report is, "A housing environment which provides necessary support services, including the provision of meals in a central dining facility". In differing degrees, Congregate Services can include:

* a food plan
* housekeeping service for residents
* laundry service
* linens provided
* wellness programs
* transportation
* 24 hour a day staffing
* planned activities
* staff person in charge of Resident Services

Funding for such services comes from an additional fee for services paid by the resident and from funds donated by a sponsoring body or fund raising campaigns.

Under the present system, HUD does not administer or fund supportive services. A linkage with other governmental agencies that provide services to the elderly, such as Department of Health and Human Services with an Assistant Secretary to administer the programs would be appropriate.

PREMATURE INSTITUTIONALIZATION

The Congregate Housing Services Program (CHSP) which was designed to link supportive services with elderly and handicapped housing was initially funded for 63 projects. Although this program has been proven to be a success, it has not been expended. Appropriations in FY89 was $5.4 million. With the kind of supportive services offered in the CHSP, residents could stay longer in the subsidized facility. Many frail elderly persons are admitted to nursing homes because they need some assistance with activities of daily living, but are still able to live independently in an apartment setting. This is an important factor because when residents living on a limited income are in need of a nursing home, they cannot afford a facility that takes only private pay patients. The search is then for a Medicaid bed. In most nursing homes there is a significant waiting list for Medicaid beds. Finding a placement may mean looking in areas outside the community in which they live which places a hardship on the family and takes the elderly person further away from family and familiar surroundings.

Poor nutrition and improper use of medication is significant in the premature institutionalization of many elderly persons. In my 15 years of working with older persons in the housing field, I am convinced that supportive services can help the elderly maintain a measure of independence and live with dignity in their own apartment. Keeping folks who have a very limited income out of a Medicaid bed is not only cost effective but shows a commitment to enabling them to maintain a high level of independence.

PROJECT DESIGN

Only 5% of total building space is alloted to community space. Careful consideration should be given to the current cost containment policies which in the long run could cost more in repair and replacement and insurance coverage. Other considerations in providing for supportive services include:

- more comprehensive communication system
- bathroom configuration which allow for showers in a significant number of apartments
- safe walking areas on the grounds
- lighting appropriate for those with vision problems
- covered porticos to entrances of the building

HUD policy requires that at least 25 percent of the units in a facility be efficiency apartments. This has been a troublesome area in marketing. Since rent is based on 30% of the resident's income, those living in an efficiency and a one-bedroom apartment are paying the same rent according to their income. These units are unmarketable and in many instances remain vacant.

PREFERENTIAL ADMISSION

Another troublesome area for project administrators is the regulation which forces facilities to give preference to three groups:

- those living in substandard housing
- those whose rent is over 50% of their income
- those who have been displaced.

While the rationale for targeting these groups is understandable, it is not fair or equitable to very low-income elderly who have waited for years for admission to affordable housing. There is also room for abuse by those who would not want to be placed on a lengthy waiting list.

OTHER CONSIDERATIONS

Income mix in subsidized housing creates a more desirable environment than the strict income limits in the 202/8 Post-universe regulations. In allowing flexibility so as to provide a mix of low, medium, and market rate admissions, federal funding would be less costly and enhance a more normal living situation.

IN SUMMARY

With the fastest growing segment of the population being those 85+, there is no question that new approaches to housing for the elderly are required. The escalating costs of health care make it imperative that we find a way to prevent premature institutionalization of those who can maintain an independent lifestyle with a limited amount of supportive services.

Residents of subsidized housing cannot afford nursing homes that take only private pay patients, therefore, premature institutionaization means filling a Medicaid bed. Nursing home care is expensive for the state. Medicaid beds are scarce requiring families to go beyond the community to find placement for their loved ones.

Current HUD policy does not allow for sufficient space to deliver supportive services. Budgetery restraints on facilities preclude sufficient staff to coordinate supportive services. A Social Services Coordinator could facilitate services that would enable residents to "age in place" with dignity.

The manditory number of efficiency apartments in each facility creates a marketing problem, especially when the same percentage of income is charged for all units.

Preferential admission to a certain target group is an undue hardship for very low-income elderly who have been on lengthly waiting lists.

Income mix of very low-income, medium income, and those who can pay market rate reduces the amount of funding by the federal government and fosters a more normal environment.

IN CONCLUSION

I want to express gratitude to Senator Fowler for the opportunity to give testimony at this hearing. It is encouraging to me that you want to hear from both residents and those of us who are involved with the elderly on a day to day basis.

My prayer is that somehow the Congress and the President can develop a national policy that will give priority to the welfare of those who are the most vulnerable among us - those who are beginning their lives who need our care and nurturing and those who want to live out the rest of their lives with dignity and grace!

Thank you.

Senator **Fowler**. We now welcome Ms. Agnes Spivey from Wesley Woods Towers to give her perspective as a resident from the inside of an elderly high rise. Ms. Spivey, I am particularly grateful that you would make the effort to be with us this morning.

STATEMENT OF AGNES SPIVEY, ELDERLY WITNESS

Ms. **Spivey**. Thank you, Mr. Fowler, for having me invited to come to this hearing. I live at Wesley Woods Towers, which is a retirement home on the campus of Wesley Homes and I have come prepared to tell you of the supportive services that we enjoy.

I am going to start with housekeeping. We have housekeeping, we have cleaning done weekly. The beds are changed and vacuuming, just your normal housekeeping.

Senator **Fowler**. Right.

Ms. **Spivey**. And we have laundry service that is free. We have a laundry room where we have the washers and dryers, these are available also. The ironing board is available in the same room. That is good because in our apartments we do not have a lot of room to store heavy ironing boards, et cetera. So that is a distinct advantage.

And we have a nice library, well staffed and well stocked—and well staffed too by the volunteer residents.

Senator **Fowler**. You have not got any books in there that will get you in trouble, do you?

Ms. **Spivey**. I suspect there might be some that would be thrown out if they were known about maybe. [Laughter.]

Senator **Fowler**. Well let us not tell them.

Ms. **Spivey**. Not planning to.

And in addition to ours, the DeKalb County Library sends us 150 books every 3 months and that is very good.

With regard to the health of our residents, we have two meals a day that are provided 6 days a week and on Sunday, the seventh day, we have one meal which is served at noon time and we have the cart in the evening that is available for people to get what they need.

Senator **Fowler**. Right.

Ms. **Spivey**. And in that connection, I think our wellness clinic is a very fine thing. The nurse is there for the clinic once a week and she takes care of a lot of your questions at least, and that is very helpful for our wellness, because it is so readily available.

Also there is a shuttle bus that runs that will take us to doctor's appointments at our geriatric hospital or at Emory medical facilities.

We have a good exercise program in the whole center and 3 days a week this is implemented in our retirement home.

We have a van that is operated by Wesley Homes and it takes us to shopping centers, grocery stores and shopping malls three to four times a week. Some weeks it is four times and some weeks it is three, but it is always at least three times. That van also will take us to special programs, entertainment programs, in the community in metro Atlanta such as to the Travelogue programs at Symphony Hall, the concerts at Symphony Hall, to movies at the Fox Theater. We also have day trips to places like Calloway Gardens, Stone Mountain and those sorts of things. That van—and it costs us only maybe 50 cents for transportation, that is all.

I think I have covered—oh, two other things that are minor to some folks but it is pretty major to people that live in a retirement home, stamps are available in one of the offices for us, postage stamps. And also banking, we can have—they will have checks cashed for us and even deposits for those who bank in the same bank that the Towers uses.

So frankly, I could not live at Wesley Woods Towers without a lot of these supportive services.

Senator **Fowler**. How long have you lived at Wesley Woods?

Ms. **Spivey**. I am in my eleventh year.

Senator **Fowler**. Wow.

Ms. **Spivey**. And I love it.

Senator **Fowler**. That is wonderful. Let me ask you this quickly and I thank you for your very fine catalog there. Eleven years ago what was your experience, how difficult was it to gain admission?

Ms. **Spivey**. I thought it was—of course we have to come in through the efficiency first and then if we want a one-bedroom we get on the waiting list, and I was told I would have to wait anywhere from 18 months to 2 years but I did not have to wait that long, I waited maybe a little over a year. But anyway, then I waited 2 years to get the one-bedroom after I went in.

Senator **Fowler**. Thank you so much, Ms. Spivey.

We are pleased to have join us Mr. Rick Wingo, the Manager of Community Support Section under the Office of Aging for the State of Georgia. I did not know you were coming, Mr. Wingo.

Mr. **Wingo**. I did not know I was coming either, Senator.

Senator **Fowler**. We have been trying to get you to come, so we are glad to have you.

Mr. **Wingo**. Dr. McGinnis extends his regrets. He was called away suddenly this morning.

STATEMENT OF RICK WINGO, MANAGER, COMMUNITY SUPPORT SECTION, GEORGIA OFFICE OF AGING

Mr. **Wingo**. My name is Rick Wingo and as you said, I am the manager of the Community Support Section of the Georgia Office of Aging. As I have heard everyone say so far, thank you for having this hearing. It is definitely needed, as you have heard this morning.

You have heard testimony regarding the increasing numbers of the elderly and their needs for adequate housing. I will not dwell on those important statements now, this particular panel, as I understand it, is focused on supportive services.

If I could just say two things to you about supportive services, Senator, they would be these:

First, they are needed. This is going to be an amen corner for Richard Bradfield, Roy Lane, Harriet Macklin because they have stolen a lot of my thunder, which is just fine, because I think the more we hear this the better off we are going to be. It does not do any good to have adequate housing if the elderly person cannot stay in that housing for lack of assistance. That is the bottom line.

The things that we are talking about essentially are access services, particularly things like transportation. We are finding this throughout the State. In Georgia we help about 40,000 individuals every year with Title 3 Older Americans Act funding, which you may have heard about a little bit earlier from Mr. Nicholson. And 20,000 of those folks are helped with transportation services, and the need is far greater. We guess remotely that it is probably as many as 50,000 may need some kind of transportation assistance, particularly folks in rural areas who tend to be somewhat more isolated than folks in places like Atlanta which has a marvelous system like MARTA.

Transportation, simply put, allows folks to get to help and from help in their communities. Nothing very mysterious about that.

Another thing that we need is home delivered meals. Presently through the Older Americans Act and social services block grant funding, we deliver over a million home delivered meals every year to 7,500 home-bound elderly, but we could use more.

Another area is in-home services. We are helping over 11,000 persons every year with such things as homemaker services, home chore, shopping assistance and home health services. These are essential in allowing elderly folk to stay in their homes and to live independently. Again we could use more.

I might stop at this point and just say that of all the funding that is available, and Frank Nicholson may be able to help me out on this, I think it is about $780 million a year is available throughout——

Senator FOWLER. Total?

Mr. WINGO [continuing]. Throughout the Nation under the Older Americans Act. Georgia gets about $13 million of that. And I am not quite sure where we are with the social services block grant, but the elderly get about $3 million of that, for a total of $16 million, which sounds like a lot but it does not go very far.

Senator FOWLER. Let me interrupt you because I should know but I do not. That $13 million, is that based on Georgia's population or on the fact that——

Mr. WINGO. Yes.

Senator FOWLER. It does not have anything to do with any State matching or structure for delivery?

Mr. WINGO. No; that is right, it does not have, it is based strictly on demographics and that is our fair share.

One other thing that needs to be brought up that I really have not heard much about lately—or this morning, and that is support for caregivers. We find that the bedrock for supportive services in our State is not the government. It is the selfless daughters, sons, husbands and wives who quietly minister to their homebound elderly with almost no recognition and very little help.

Senator, we believe that these folks need help. You do not hear much about them but they are out there.

Senator FOWLER. What do you recommend, what kind of help could we give them?

Mr. WINGO. Two things—that is my next paragraph. At a minimum, we think that they need two things. They need some respite care, and that is just so they can go out and do things like food shopping because sometimes if you have someone with dementia or Alzheimer's disease, you leave them alone at your own peril.

A second thing that they need is some day care, adult day care is badly needed throughout this State and really throughout the Nation. We are looking at dependent care across the Nation as the coming thing. Folks think that the biggest part of the population that is growing is children, and it is not. Children are actually on the decline nationwide, there is a baby bust in the making. And what we are seeing, as I think probably Dr. Payne pointed out earlier this morning, is that the people that are going—the population that is growing the fastest are those over 65 and within that group, it is over 85. And you have got to have someplace to put these folks during the day if they are living in their own apartments or efficiencies somewhere. They need some day care.

In conclusion with regard to caregivers, let me say that if we did not have them, our over-burdened system would be, simply put, overwhelmed. We thank heaven every day that they are out there because they do more probably for the elderly of this State than almost anything. We might add that long-term care insurance, the bills that are now floating around Congress and also State houses should provide for reimbursement for alternatives to nursing homes and supportive services. That would help quite a lot.

Senator **Fowler**. Thank you, Mr Wingo, very, very much.

Mr. **Wingo**. Yes, sir.

[The prepared statement of Mr. Wingo follows:]

PREPARED STATEMENT OF RICK WINGO

1. Good morning. My name is Rick Wingo. I am the manager of the community support section of the Georgia Office of Aging.

2. Thank you for this hearing, Senator; as you have heard, it is needed badly.

3. You have heard testimony about the increasing numbers of the elderly and their need for adequate housing. I will not dwell on those important statements here.

4. This particular panel is focused on supportive services.

If I could say just two things to you about supportive services they would be these:

A. *Supportive services are needed—*

(1) It does no good to have adequate housing if the elderly person cannot stay in it for lack of assistance.

(2) Transportation: We help about 40,000 elderly each year, and 20,000 of those use transportation. The need is far greater, perhaps as high as 50,000.

Transportation allows an older person to get to help in his/her community.

(3) Home delivered meals: Presently, we deliver 1,000,000 meals a year to 7,500 home-bound elderly. We could use more.

(4) In-home services: Over 11,000 persons each year are helped with such things as homemaker services, chore, shopping assistance, and home health. These services are essential in allowing the elderly to stay in their homes and live independently.

(5) Support for care givers: The bedrock of supportive services in our state is not the government. It is the selfless daughters, sons, husbands, and wives who quietly minister to their homebound, elderly relations with little help and almost no recognition.

Senator, these folks need help.

At a minimum, they need some respite care, so they can simply go do the food shopping, and some day care, so they can go to their jobs.

Allow me to say that if we didn't have them, our overburdened system would be, simply put, overwhelmed. We thank heaven for them every day.

I might add that long term care insurance bills should provide reimbursement for alternatives to nursing homes and supportive services.

B. *Supportive services need adequate funding:* We know that you hear this in Congress daily. But while the numbers of elderly increase, the funding from Washington does not.

Three specific areas need attention:

The Medicaid 2176 waiver needs to be made part of the regular Medicaid program.

The Older Americans Act should be increased.

The social services block grant should be increased.

5. Thank you for your attention. Do you have any questions for me?

Senator **Fowler**. Our last witness is Mr. Robert Wilden from the Department of Housing and Urban Development in Washington, who made the trip down this morning. Mr. Wilden will soon celebrate his 20th anniversary I understand at HUD, this week and that makes him something very rare in Washington, a career professional that has outlasted all of these political appointees over the years.

I do want to say to all of you who would not know, who are here today, that although the agency is in some of its darkest days right now, allegations of influence peddling and I am afraid substantial corruption in some programs, Mr. Wilden has continued to fight to maintain the integrity of the institution and we all appreciate Mr. Wilden, your responsible public service over a 20-year period now.

We welcome you this morning and we will have a lot of questions for you and all the panel at the conclusion of your testimony.

STATEMENT OF ROBERT WILDEN, DIRECTOR, ASSISTED ELDERLY AND HANDICAPPED HOUSING, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. **Wilden**. I am sure you will. Thank you.

Senator Fowler, it is a great pleasure to appear before you today on behalf of Secretary Kemp to assist you in considering the appropriate Federal responses to the housing and services needs of elderly people, particularly those who are frail. Under Secretary Kemp's leadership, this is a challenging time for the Department because we have an opportunity to redefine the Federal response to housing and services needs of the poor—families with children, the homeless and the elderly.

Senator, I am going to depart from my written remarks at this point for the reason that even though I talk fast I cannot cover six pages in 5 minutes, so I will summarizes very quickly.

Senator **Fowler**. You will do fine in summary, I am sure.

Mr. **Wilden**. The first thing I would like to emphasize is that all of us, rich, poor, everybody in between need a sense of community. That means that the task is not simply to provide housing for low income people but provide the infrastructure, the services, the kinds of things that make communities work. That means, among other things, that we need to revitalize urban neighborhoods. It means that housing alone is not enough. For the non-elderly that requires jobs and education and counseling and all the support systems that make it possible for people to take control of their own lives.

For the elderly, it means services. Such things as meals, housekeeping, transportation and in some cases personal care services. As we all know in this country there is a gap between those who are housed and those who are in nursing homes, and as a result many people end up in nursing homes who probably do not belong there, but who do not have the necessary support to live outside nursing homes.

That is detrimental to the society in two ways; one, is it is unduly costly but perhaps even more important, it is frequently dehumanizing as people lose control of their own lives.

The Department continues to support the Section 202 Program, which is the division that I head. In 1981, as you know, the Department instituted cost containment requirements and the reason for that is that escalating construction costs were resulting in very rapid increases in the cost of 202 units. As a result of those policies, per unit costs have indeed been held in line and in some cases come down.

However, there has been significant sponsor opposition in some cases to the cost containment policies and in some cases we have had delays in the pipeline, in part as a result of negotiations around cost containment.

Our current Section 202 pipeline nationally is about 30,000 units, that is about 12,000 units more than it ought to be, and we are not satisfied with that. Region IV has about 5,200 units in its pipeline. As a result of that, headquarters is at this moment undertaking a review of the total pipeline and reviewing some of our basic policies to find ways to get that needed housing built and built soon.

The Department is concerned not just with 202 but with the whole HUD assisted inventory because as you know, we have got a couple million units of assisted housing through the mortgage insurance programs, the various ramifications of Section 8, public housing, et cetera. And we are concerned with the whole issue of aging in place.

By the year 2000 the percentage of frail elderly living in HUD assisted housing across the board will increase by approximately a third. This gives us an opportunity I think to look at ways that we can assist that population and a little bit of time to try some different kinds of ways, so that when the crisis hits we can get it right.

There are several policy principles I think are important as we proceed in this task. The first is to allow choice to the elderly. For homeowners, home equity conversion mortgages may be a possible way of getting some cash for services. For renters, a setting in a congregate facility can be helpful, but many will want to live where they are and therefore service in place is also important to offer as an option, and one way to do that is to provide a housing voucher which also has some services attached to it.

A second principle is cost sharing. As you know, neither the States nor the Federal government have the resources necessary to meet the needs that we all face. It therefore becomes essential that the Federal government and the State governments participate jointly in funding and participate as real partners. For one thing, as we are able to provide services for people who need it and keep them out of nursing homes, there is an offsetting savings in medicaid both to the Federal government and to the States.

The third principle is that the elderly recipients themselves can and should pay something. Our experience in the congregate services program is that indeed residents can make a contribution, it frequently is not sufficient to pay the whole freight and probably should not be, but people do have to spend something on food, so if they have a congregate meal service, they can certainly contribute something there too. It is important I think that we treat people as responsible and not simply as total recipients of services because that in itself can be demeaning.

Fourth, for building-based programs, we need to make sure that the facilities can include space for congregate services. That means that as we open facilities now—and we recognize that as people age in place in 15 years or so, they are going to need substantial services, there needs to be room for those services, room for congregate dining and other kinds of services on site.

Fifth, I think it is important that we target our resources, scarce though they be, with some care. For example, in the Congregate Housing Program, when we first opened that program approximately a decade ago, we required as a condition of admission that a person have difficulty in one area of daily living. We have increased that now in the last several years to three areas of daily living, because we want to make sure that the services are targeted to those who need it most.

Last but not least, it is important that there be case management available in projects serving aging elderly and it therefore makes sense that a case manager be an eligible project expense in assisted HUD projects for the elderly.

With this very brief summary, I would like to conclude my remarks just to say that this is an exciting time for us. I think we are all in the forefront of helping to change the destiny of the poor, the homeless and the elderly. We look forward to working with the Congress and with the State and local governments on ensuring that our plans become a reality.

Thank you.

Senator FOWLER. Thank you, Mr. Wilden.

[The prepared statement of Mr. Wilden follows:]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Atlanta Field Hearing
Senate Budget Committee
July 10, 1989

Senator Fowler:

It is a great pleasure to appear before you today on behalf of Secretary Kemp to assist you in considering the appropriate Federal response to the housing and services needs of elderly people, particularly the frail elderly. Under Secretary Kemp's leadership, this is a challenging time for the Department because we have an opportunity to redefine the Federal response to housing and services needs of the poor--families with children, the homeless, and the elderly.

Every American needs a sense of community, to feel a part of a larger context. One's identity and one's dignity is integrally related to a sense of belonging to something. And community is broader than just the bricks and mortar of housing. Schools, shops, transportation, and recreation all help build a sense of community. Those of us in this room have this sense of community. We have jobs that give us a sense of self worth and we live in neighborhoods that reinforce this sense. But this is not the case for all Americans.

The poor, the homeless, and the elderly need to feel a part of a larger community, as you and I do. "We must turn our inner city neighborhoods into places where people want to raise families or grow old. We must eliminate the pervasiveness of drugs. We must promote the importance of education. We must create vital, vibrant neighborhoods that can meet all of the needs of their residents.

In sum, we must create ladders of opportunity to help the poor, the homeless, and the elderly maintain a sense of identity and dignity. And for the elderly as for others in need, the rungs of the ladder are the panoply of services that poor people need in order to remain or become self sufficent--counseling, basic education, job placement, and transportation. The Federal responses we are developing to help the poor, the homeless, and the frail elderly are wedded to the belief that housing alone will not empower the poor or create a sense of community. We must attend to their other needs as well.

For the elderly we must also never lose sight of the importance of helping them retain their sense of community. As elderly people age end become frail elderly, they may only need help with meal preparation, dressing, or housekeeping. But because these services are not readily available and they cannot manage for themselves, they may have to go into a nursing home. Nursing homes provide a higher level of care than many elderly need, making them an economically unsound option for many. But more than that, they are often unattractive places to live. They create isolation, removing the elderly from the communities they felt comfortable and secure in. We ought to be offering housing options that are not demoralizing and dehumanizing.

However, I do not believe that we have all the answers we need to develop programs that will serve the elderly and be cost-effective at the same time. The Department continues to support the Section 202 program, which provides housing for low income elderly and handicapped persons. Due to the rapidly rising costs of developing these projects, the Department imposed cost containment requirements on the program in 1981. While cost containment has reduced the per-unit costs in section 202 projects, it has generated sponsor opposition and in some cases slowed down processing of applications.

The current pipeline of Section 202 projects reserved but not started stands at about 30,000 units, which is an unacceptably high number of units, given recent funding levels. The Department has undertaken a major review of the Section 202 pipeline, with the objective of identifying and resolving problems so that these badly needed projects can be built.

Our concern for the elderly also must include a concern for the problems of those who are aging in place in all our assisted housing, not only in Section 202. The large increase in the frail elderly population will not occur for several decades. By the year 2000, the frail elderly population living in assisted housing will increase by about 33 percent. So we have the luxury of being able to experiment with a variety of different approaches before choosing any for a national program. The costs could be quite large and long-term, so we need to get it right.

There are several policy principles which I believe should guide the development of these approaches. First, we should design programs that allow the elderly choice about where they want to receive these services. For the elderly who are homeowners, Home Equity conversion mortgages can provide the liquidity of funds needed to purchase services. For the elderly who are renters, there are two options which could be made available. Those who want to move into a congregate setting could be able to do so. But those who want to remain in their current dwelling in order to receive these services could also be able to do so. A housing voucher which is funded at a higher level to include the cost of services could be provided.

I know there are a lot of doubts about the ability of the frail elderly to navigate local supportive services delivery systems. But we have some preliminary information that there are ways to overcome these problems. HHS is currently conducting a demonstration on using Social/Health Maintenance Organizations (S/HMOs) to provide health and long-term care services in a community-based setting. S/HMOs are similar to Health Maintenance Organizations in their operations, charging a set fee paid in advance for a wide variety of services. While the results of the demonstrations are not all in yet, it does seem that this organizational structure can assist the elderly living in the broader community in receiving needed services.

Second, there must be some level of cost sharing between the Federal and State governments for these services. States have a variety of funds including Social Services Block Grant, Title III of the Older Americans Act funds, Medicaid, and general revenues which could and are currently being used for this purpose. States should be asked to share in these costs because they will probably result in net savings in States; Medicaid expenditures and because the provision of such services has been traditionally and should continue to be a shared responsibility.

Third, elderly recipients of these services should be responsible for paying for part of these services. The Robert Wood Johnson Foundation's demonstration on supportive services for older people has found that the elderly are willing to pay for services which would enable them to remain independent. The Foundation notes that the resources of the elderly who are poor may be more limited than those in their demonstration, but does not dismiss the need for some level of copayment even among of these people.

Fourth, if building-based programs are used, they must be designed to be conducive to congregate activities. Previous witnesses before this Committee have suggested that the requirements for cost containment in the Section 202 program and the individual size of the projects approved may inhibit the inclusion of congregate facilities, such as dining rooms, in the building design. We must reexamine our current requirements for the Section 202 program to ensure that the program design is not discouraging the use of 202 for the frail elderly.

Fifth, we must design approaches that maximize the use of limited resources. The history of CHSP has been one of increasingly tighter individual eligibility requirements. Originally, an elderly person had to demonstrate that he/she needed assistance with one activity of daily living. Currently the program requires participants to need assistance with three or more of these activities, one of which must be eating or preparing food. I know it seems harsh to say that some people, while considered frail, are not frail enough to receive services. But we must face reality. The limited funds that we will have available, even with cost sharing by the States, dictates that we must be especially prudent.

Finally, we believe that case management is a vital component in any program which provides services to the frail elderly. Whatever approach is used, the cost of the salary of a full-time case manager should be included as an eligible project cost. A full-time case manager can ensure that the program is being offered to those who really need it and that the services that are provided to an individual match that person's needs. A case manager can help a frail elderly person navigate his or her way through a seemingly formidable local service delivery system. A case manager can also negotiate with providers to secure only services that are needed at reasonable costs.

This is an exciting time. We are in the forefront of helping to change the destiny of the poor, the homeless and the elderly. We look forward to working with the Congress and with State and local governments on ensuring that our plans become a reality.

Senator FOWLER. Before I forget it, there seemed to be under the last administration certainly a strong feeling in your agency, in HUD, that a strong—more than a feeling, a strong ideological bias against congregate services for the elderly. What efforts are being made now in the agency to re-evaluate that program with fresh eyes in light of what you have heard this morning about the value of it?

Mr. WILDEN. Well the Office of Policy Development and Research has been looking into that very issue and looking at some alternate ways of providing services in place. And one of those ways in addition to the congregate services type approach, which is targeted to a specific project, is also a voucher kind of approach whereby a person could get a housing voucher and remain in place but also could get some extra funds for services. I think what we are going to see in the next 2 or 3 years is a variety of different things tried to see what seems to work best, what gives elderly the most choice in terms of picking the options that they choose for themselves, and I think that is an important issue. I do not think we ought to be imposing one alternative on people. I think we ought to give them as many as we can. And I think finally, all those will be looked at in terms of how cost efficient they are and how much state and local leveraging will result from all that.

Senator FOWLER. But as a professional, you are not willing to—I am not trying to put any words in your mouth or make a statement. Can you say right now that the congregate services program is the most cost-effective way of providing the kind of mix of services to housing that we all are searching for?

Mr. WILDEN. It is difficult to say what is the most cost effective. I would say that I think the congregate services program, if it is properly targeted, can be an effective vehicle for the reason that you have got a building with people in it so you can target the services to a significant number of people in one place. That is a little simpler than going out one-by-one and doing case work in a community.

Senator FOWLER. Yes.

Mr. WILDEN. It is difficult to do cost analyses in terms of savings and offsets for the reason that one has to make assumptions in order to do that, would a person be in a nursing home were they not getting the service, or would they not, and what would that cost and so forth. So the cost side of that is difficult to answer with precision but I do think that a carefully targeted congregate services program can indeed be cost efficient and probably save the government money in the end.

Senator FOWLER. Are there many ideas floating around that we need to start looking at along the line that Mr. Wingo suggested of Federal help and support for caregivers? Or how do you react to what Mr. Wingo had to say about that being a need that will enable us to achieve our goals?

Mr. WILDEN. Well I certainly agree with his comment that the family and the support group to the individual are probably carrying the heaviest weight in terms of caregiving. As a housing agency, it is a little difficult for me to think about how we can support that, although I think we all need to.

We in HUD tend to look at this as a component of housing and a piece of making housing work and that particular problem is one I frankly had not thought about.

Senator FOWLER. Let me go into your section, you were here when we heard from Mr. Rick Bradfield, who I think you know, criticism of the 202 program basically having to do with the restrictions that you noted in your testimony. What other steps are you planning as you put it, to clear the pipeline of those 202 projects that have been reserved but not built?

Mr. WILDEN. Well several things are underway. One is that we have done a survey of our field offices to try and assess why the projects are stuck in the pipeline. Some of those issues we have some control over, some of which we do not. The major issue that has been identified as a constraint to projects in the pipeline is locating an acceptable site.

Senator FOWLER. That has not changed in 20 years, has it?

Mr. WILDEN. Well it has gotten worse. Unfortunately, Senator, what we find—as you know, Section 202 serves both the elderly and the handicapped and since we became significantly involved in doing small projects for the handicapped, we discovered that in many communities there is considerable opposition to bringing in group homes and small apartment complexes serving the chronically mentally ill, developmentally disabled and others.

What we are now seeing is also opposition to projects for the elderly in communities. And the result of that is that sponsors are having difficulty getting sites, they are having difficulty holding sites, some of the sites they are getting are far from ideal in terms of location or in terms of developing an efficient project within the configuration of the site they have.

While there is not a lot we can do about that issue, there are some other issues that we are looking at that we do have some control over. We are looking at the processing pipeline, how long it is taking projects to move through the system and get to a start of construction. In that context, we are looking at cost containment, we are looking at the fair market rent structure, the cost limits and attempting to kind of reassess where we are and where we ought to be in some of those policy areas.

Senator FOWLER. Ms. Zwald, in your experience, do you think HUD ought to be directly involved in providing these services, or are other agencies and organizations in your opinion better equipped to do it?

Ms. ZWALD. Well I think it can be a linkage or a cooperative effort, certainly probably within the Department of Health and Human Services. I feel like if facilities—and I am speaking just from experience in my places of work but I think it can be expanded into other areas, that if projects are built with the idea that the people—that three things are going to happen; that the people are going to age, that the building is going to age and that there will need to be an expansion of services. If it is built that way to begin with, that that will be cost effective down the line. Also if good construction material and so forth where there is less repair and replacement kinds of cost and when insurance, which has escalated tremendously for even housing facilities where insurance companies are more willing to insure when they see better construction, I think that will help.

But also, I agree with Mr. Wilden that even for very little income, I do not think these services should be just donated, just free. I think that human dignity, our own human dignity, even for very low income, says that we need to contribute some way. And that with what we have in place, with augmenting safe and augmenting with maybe one or two staff people that can access community services and can provide—can supplement some of the financing inside the building, can help.

Senator FOWLER. In that regard, are there HUD restrictions presently in place on services in HUD facilities that you think should be eased or eliminated?

Ms. ZWALD. Basically HUD does not fund any of the services, it is bare-bones, it is an apartment or it is a place to live and they do not fund those. The places that have them either came in before the regulations—well years ago sometimes they did fund those things, but they came in before, but they do not fund them now and I think that HUD could do that but I do think it would have to be a linkage with other departments, both State and Federal because just looking right here, I think that the medicaid reimbursement for medicaid beds in the State of Georgia is around $33 a day, something like that, for a medicaid bed. We are I think the sixth lowest in the United States.

So if we are thinking about premature institutionalization, a person can no longer stay where they are in a HUD facility for instance, and we are talking about very low income people in a HUD facility, they cannot really take care of maybe preparing their meals or they need some help with bathing, activities of daily living, it would not cost $33 a day to give them that kind of help in their home. And I think it would save both the State money and the Federal money if we could implement these supportive services.

Senator FOWLER. Mr. Wingo, from the State end of what we all have heard this morning needs to be a State/Federal partnership if we are going to make some progress, in your experience, do you believe that HUD should drop its congregate programs altogether as has been suggested, not this morning but has been suggested in some quarters, and concentrate all their financial resources on new construction and rehabilitation?

Mr. WINGO. To be absolutely candid with you, Senator, I am not that familiar with the HUD congregate programs. What I am familiar with is more the HHS type programs. I think that congregate programs, whatever direction they come from, are definitely needed, however. As Ms. Zwald and others have pointed out, the people who are in these efficiencies or high rises or whatever they happen to be, have to have some kind of support there. Just building the unit and putting the person inside does not work.

There are programs on the HHS side that certainly could supplement what HUD is doing and in that sense I think maybe even a Federal/Federal partnership and a State/Federal partnership would be in order.

Ms. ZWALD. May I add to that?

Senator FOWLER. Please.

Ms. ZWALD. It has also been my experience that people who move into a facility like this do so usually for two or three reasons. One is there has been some sort of precipitating crisis, they have lost a spouse or a significant loved one in their life, or they are afraid in the community in which they live or else financially they cannot maintain their home or their apartment, wherever they are. And so therefore, they seek usually a HUD facility to move into which says they are moving into that facility because there is a need other than just housing. There is a psycho-social need that causes them to come to that facility. And so to say that, you know—to just let HUD get out of any kind of congregate or supportive services business I think—and just into bricks and mortar, as far as elderly housing is concerned, I think would be—and I hate to use the word abuse, but almost abuse of a program designated for a certain target group and that is the elderly in our country.

Senator FOWLER. Mr. Wilden, unfortunately we heard about another HUD program cancellation last week, this one for a program that was supposed to benefit the elderly. How much more breakdown in services can we in the Congress and we in the public expect to see before these programs can start serving the people they were intended to serve?

Mr. WILDEN. Senator, I did not bring——

Senator FOWLER. Test your professional 20 years.

Mr. WILDEN [continuing]. My crystal ball this morning. The program that was suspended last week was the Retirement Service Center Program which is essentially a mortgage insurance program without subsidy under Section 221(d)(4) of the National Housing Act. And what that program does is it provides a mechanism for the private market to finance the construction and essentially the long-term mortgage on a facility designed for the frail elderly. Typically in those facilities, there is a provision of services as well as an apartment, so that the resident may pay, let us say $1,000 or $1,200 a month but included in that is some meals, perhaps some housekeeping, that sort of thing.

The difficulty with that program, since there was no subsidy attached to it, it is targeted to a very narrow market, as you can well imagine. It takes 1 to 2 years to rent up one of those facilities and therefore in some sense it is a high risk, although a relatively small program.

I want to emphasize the difference between that and Section 202 because the (d)(4) Retirement Service Center Program has no subsidies attached to it, essentially HUD's role is to insure a private lender against loss on the mortgage. 202, on the other hand, has got virtually 100 percent Section 8 coverage, which means that virtually every resident pays 30 percent of income and the government picks up the difference between that and the market rent.

Senator FOWLER. Well again, I meant what I said earlier, so I am not here to jump all over you except in my public capacity and all these people here, we are trying to sort out where this money is going that we are reading about and you do not have to acknowledge it, I can say it, there is a widespread belief in the Congress that the last administration—I am talking about the last administration—did everything to obstruct programs that they did not like and could not kill and that Section 202 was at the top of the list.

In your review and under the leadership of the new Secretary Mr. Kemp, is there any—can you tell us whether or not HUD is going to revise its market share rent so that rents can be charged that will meet the debt service for construction?

Mr. WILDEN. Well there is—currently there is a review underway on the fair market rents in effect and also a review of the 1989 rents which have not been published for either comment or effect. I think there is a developing consensus in the Department that the sort of capping of the rents that has occurred is perhaps not appropriate. That is not to suggest that there will not be some capping in some areas. There are parts of the country where those rents could get up around $2 to $3 thousand a unit and that may not be an efficient use of a limited resource, but we are not far enough into that process yet to say anything very conclusively. I do think under Secretary Kemp that the 202 program is going to continue, it is going to thrive. We are beginning to think about legislative modifications. As you know, the D'Amato bill of course is firmly under consideration.

One of the dilemmas we face with 202, and we are looking for answers and have not found them either, is that when you have a program that is 100 percent subsidized and all residents pay formula rent based on their income, there is not a great deal of incentive on anybody's part to cut costs which has put HUD in the position of playing virtually adversary in terms of keeping costs down. My own sense is that the system perhaps itself needs to be changed and not simply tinkered with, and we are looking at how to do that legislatively at this time.

Senator FOWLER. Ms. Spivey, as a resident, I want to give you the last word. Is there anything you want to tell Mr. Wilden to take back to Secretary Kemp to help us to a better job to our friends there at Wesley Woods Towers and on behalf of some of our fine older citizens around the country?

Ms. SPIVEY. I am going back to a point that was made by somebody somewhere today, what we need is something between a retirement home and a nursing home. There are a lot of people with these supportive services could live very nicely in something between those two facilities. They do not need the care that they get at the nursing home but they need some more than they can get at a retirement home. So that is something I have advocated for a long time because I have seen the need for it.

But I cannot speak too highly of the necessity for supportive services in the retirement home. I thought all retirement homes had these supportive services, I did not know that we were so——

Senator FOWLER. Lucky.

Ms. SPIVEY. The Towers is so blessed in having it, I guess is the word.

Senator FOWLER. That is why we are here this morning, Ms. Spivey.

Ms. SPIVEY. Thank you.

Senator FOWLER. Thank you so much.

And I thank all of you very, very much for coming.

Ladies and gentlemen, this concludes our hearing. Let me—oh, I want to introduce—we do have some elected officials here I understand. I cannot see out there in the dark. I understand that Barbara Asher, Gordon Joiner, Councilman Bill Campbell—you all stand if you are here and I will see you—I see. And Sheriff Lankford was here.

I do want to thank those who are also submitting written testimony to supplement the record of this hearing. Federal National Mortgage Association, which has recently announced a nationwide pilot project to increase affordable housing options for the elderly; Green Thumb, Inc., and its director, Ruth Coleman, providing a variety of support services on the grassroots level for rural elderly and the Atlanta Housing Authority is also providing testimony for the need for modernization of elderly units. I will also invite any others here, either from the public or who are professionally motivated, we would be delighted for you to submit written testimony within the next week which I will make sure gets included in the record.

I have been asked to announce that after the hearing the agencies and service organizations will still have their booths set up in the lobby to provide information to the senior citizens on their offerings and Atlanta Housing Authority is taking applications for the units.

I thank all witnesses but also appreciate very much the attentiveness of this large audience who joined us today. I am used to having large town meetings where everybody is yelling at me, so I appreciate having a chance for us all to hear. It has been a very fine hearing and I thank everyone.

[Whereupon, at 11:49 a.m., the committee adjourned subject to the call of the Chair.]

SENATOR FOWLER'S HEARING ON THE ELDERLY

JULY 10, 1989
ATLANTA, GEORGIA

PRESENTED BY RUTH H. COLEMAN,
STATE DIRECTOR FOR GREEN THUMB, INC.

GREEN THUMB, A SENIOR EMPLOYMENT PROGRAM SPONSORED BY THE NATIONAL FARMER'S UNION, APPRECIATES THE OPPORTUNITY TO SHARE THIS INFORMATION WITH YOU. WHILE OUR MAIN FOCUS IS ON EMPLOYMENT AND TRAINING, WE PROVIDE OUR ENROLLEES WITH SUPPORTIVE SERVICE. HOUSING FOR THE ELDERLY IS ONE OF OUR CONCERNS.

WE SEE THE NEED FOR INCREASING FUNDING FOR FARMERS HOME, SECTION 515, RURAL RENTAL HOUSING TO BE USED FOR ELDERLY PROJECTS ONLY. IN THE REPORT, "A PLACE TO CALL HOME", IT REVEALED THAT POOR PEOPLE PAY AS MUCH AS 70% OF THEIR INCOME FOR RENT. MANY OF THESE ARE ELDERLY HEADS OF HOUSEHOLD THAT DEPRIVE THEMSELVES OF FOOD AND MEDICAL ATTENTION FOR SHELTER. GOA HAS ACKNOWLEDGED THAT THIS SECTION 515 IS THE MOST FEASIBLE WAY TO DELIVER HOUSING TO RURAL ELDERLY RESIDENTS.

WE ALSO SUGGEST INCREASING FUNDING FOR HUD, SECTION 202. IN THE REPORT, SECTION 202 HOUSING BUDGET CRISIS, IT PROVIDES THE FOLLOWING INFORMATION:
- 30% OF THE ELDERLY LIVE IN SUBSTANDARD, DETERIORATING HOUSES.
- 58% OF THE HOMEOWNERS LIVE IN HOMES THEY PURCHASED BEFORE 1939.

THIS MEANS THAT THE WEATHERIZATION PROGRAMS NEED TO BE INCREASED WHERE POSSIBLE TO ASSIST THESE INDIVIDUALS IN MAKING THEIR HOUSES MORE ENERGY EFFICIENT. THIS EFFICIENCY MEANS MONEY SAVED TO AFFORD BETTER HEALTH CARE. THE MONEY SAVED IN REDUCING UTILITY BILLS CAN BE USED TO PURCHASE MORE NUTRITIOUS MEALS AND MEDICAL CARE. INCREASED FUNDING FOR WEATHERIZATION PROGRAMS SHOULD BE TIED WITH THE HPA PROGRAMS WHEN POSSIBLE.

DEVELOPERS NEED TO BE ASSURED OF TAX CREDIT FOR DEVELOPING LOW INCOME PROJECTS FINANCED UNDER FARMERS HOME AND HUD. TAX CREDIT ALLOWS INVESTORS TO INVEST IN THESE PROJECTS AND ASSURES FINANCING AND PROPER MANAGEMENT.

WE SEE THE NEED FOR INCREASED ALLOCATION FOR HUD, SECTION 8, AND FARMERS HOME RENTAL ASSISTANCE, SPECIFICALLY FOR ELDERLY PROJECTS. ELDERLY PEOPLE ON FIXED INCOMES CANNOT AFFORD THE PRESENT JUST-INTEREST CREDIT.

BY INCREASING THE PROGRAMS ALLOWING THE ELDERLY OR DISABLED TO LIVE IN A COMPLEX WITH MEALS AND LIMITED NURSING CARE, WE GIVE THEM INDEPENDENCE AND YET PROVIDE THEIR DAILY NEEDS WITHOUT HAVING TO BE INSTITUTIONALIZED.

DISCOURAGE THE VOUCHER PROGRAM. THE VOUCHERS ARE NOT TIED TO ANY ONE PROJECT.

LAST YEAR LESS THAN 35% OF THE MONEY ALLOCATED FOR HOUSING WAS SPENT. ONE OF THE REASONS WE FEEL IS THE FARMERS HOME OFFICES ARE UNDERSTAFFED AND OVER-BURDENED WITH FARMERS PROGRAMS. LOANS FOR HOUSING ARE NOT THE TOP PRIORITY. NON-PROFIT AND OTHER ORGANIZATIONS ALREADY HAVE THE INTRA-STRUCTURE IN PLACE TO DELIVER THESE PROGRAMS.

504 FUNDS COULD BE CHANNELED THROUGH THESE AGENCIES FOR FASTER DISTRIBUTION AND APPLICATION OF FUNDS AS INTENDED BY CONGRESS.

THANK YOU FOR GIVING US THE OPPORTUNITY TO SHARE THIS CONCERN AND INTEREST WITH YOU.

Ruth H Coleman
RUTH H. COLEMAN
STATE DIRECTOR
GREEN THUMB, INC.
ALABAMA, GEORGIA, SOUTH CAROLINA PROGRAM

P O Box 1354
(2) Jesup. Ga 31545

TOM MARCHANT, SPECIAL ASSISTANT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPEMENT

REMARKS: NOVEMBER MEETING 1987

PROGRAMS IN PLACE AND WORKING:

COMMUNITY PLANNING AND DEVELOPEMENT FOR THE ELDERLY

ENERGY CONSERVATION

HOUSING REHABILITATION

LAST YEAR, FISCAL 1987, ONE MILLION IN FUNDING WAS ALLOCATED IN THE ATLANTA REGION. HUD's BUDGET WAS 7.5 BILLION, OF WHICH LESS THAN 2 BILLION (212,000 units) WENT FOR PUBLIC HOUSING.
SECTION 202 : 10 units to 100 units, 40 year loan (Federal)
FIRST APPROVED BY STATE, THEN BY H.U.D., THEN THE H.U.D. OFFICE IN WASHINGTON, (BASED ON FUNDS AVAILABLE) ????

JOINT VENTURE AFFORDABLE HOUSING:
PROOF OF NEED, AFFORDABLE PRICE RANGE, MUST GET BUILDER, BANKER, AND COMMUNITY LEADERS INVOLVED
H.U.D. GUARANTEES THE MORTGAGE INSURANCE

NO FRILLS HOUSING FOR THE ELDERLY, OWNERSHIP, $27,000 PRICE RANGE ALLOWS FOR MORE RENTAL UNITS TO BE AVAILABLE FOR AFFORDABLE RENTS.

REMARKS: PERSONAL INTERVIEW, ANSWERS BY TOM MARCHANT;

(1) SINCE CONGRESS HAS PASSED NEITHER A HOUSING BILL NOR A HUD APPROPRIATIONS ACT, HUD DOES NOT KNOW HOW MANY UNITS OF PUBLIC HOUSING WILL BE AVAILABLE IN FISCAL 1988

(2) FOR THE PAST SEVERAL YEARS, THE HUD APPROPRIATIONS ACT HAS REQUIRED THAT PRIORITY BE GIVEN TO FUNDING LARGE FAMILY PUBLIC HOUSING PRROJECTS(THREE OR MORE BEDROOMS) THEREFORE, BEFORE HUD CAN APPROVE FOR CONSTRUCTION OF ONE BEDROOM AND EFFICIENCIES, IT MUST PROVE THAT THERE IS NO NEED FOR LARGER UNITS IN THE COMMUNITY. AS A RESULT, VERY FEW APPLICATIONS FOR ELDERLY PUBLIC HOUSING DEVELOPEMENTS HAVE BEEN APPROVED. IN ORDER TO SHARE WHAT LIMITED FUNDS HAVE BEEN AVAILABLE THRU THE SOUTHEAST REGION, THE NUMBER OF UNITS APPROVED FOR ANY ONE PUBLIC HOUSING DEVELOPEMENT HAVE BEEN LIMITED TO 50.

IN REFERENCE TO THE ABOVE:

(1) NOV. 11th, 1987; THE PRESEDENTIAL COMMISSION ON PRIVATIZATION RECOMMENDED THAT THE GOVERNMENT GET OUT OF THE PUBLIC HOUSING AND REPAIR MARKET. ISSUEING VOUCHERS FOR RENT SUBSIDIES INSTEAD.

(2) THE DEMOCRATIC CONGRESS ON NOV.12th APPROVED A BILL INCREASING HUD's BUDGET TO 15 BILLION. AND FELT IT WAS VETO PROFF. ON NOV. 17th SENATE REPUBLICANS BLOCKED THE MEASURE. IT HAD PASSED THE HOUSE 391 - 1 SENATE DEMOCRATS PLAN TO REVISE THE BILL SO THAT IT WILL PASS.

TOTALS AS SHOWN ARE TAKEN FROM THE 1980 CENSUS

GROUP "A"

15,000 persons over 62 years, head of a household, in their own home, income $10,000.00 per year or less.

60% of this group have income of $5,000.00 per year or less

GROUP "B"

18,000 persons over 62 years, head of a household, in renter occupied dwelling, income $10,000.00 per year or less.

70% of this group have income of $5,000.00 per year or less.

MEDIAN INCOME STATE of GEORGIA

Males who are 65 years or older $3,752.00 per year

Females who are 65 years or older $3,665.00 per year

ATLANTA REGION:

Median income for persons age 65 and over $7,489.00 per year

AFFORDABLE RENT BASED ON INCOME:

Groups "A" & "B" based on income averaged limit $200.00 per month

Median income State of Georgia $100.00 per month

Atlanta Region median income $200.00 per month

NOTE:

Atlanta Region median income age 65 and over of $7,489.00 could include job related income in addition to Social Security income.

DEKALB COUNTY

Dekalb - Decatur Housing Authority, 325 Swanton Way, Decatur
Mr. David Smotherman, Exec. Director

Total population 530,000
Population over 60 years of age 65,000

Affordable housing available 600 units
average yearly vacancies ... 40

REMARKS: Mr. Smotherman, A.S.A.G. Meeting, September

There are 184 elderly on the waiting list for housing.
average time for acceptance is 2½ to 3 years

In Dekalb County, Section 8 program (subsidized rents)
35 % of the units are for the elderly

The 1988 budget of H.U.D. is $7.5 billion dollars

He has been working with developers using tax exempt bonds and claims there is no tax advantage for private developers to enter the public housing market.

The developer must agree that 20% to 30% of the units will be leased as low income rents for the elderly. otherwise rents would range from $520.00 monthly to $840.00 monthly.

The 1986 Tax Reform Act was detrimental toward private developement of [illegible] affordable housing for the elderly.

An increasing number of the elderly population are living in sub-standard housing.

In new construction of housing for the elderly, without any Federal Subsidy, the lowest rents would be $300.00 monthly

COBB COUNTY

Marietta Housing Authority, 269 Lawrence Street, Marietta.
Mr. Larry Thompson, Exec. Director

Total population 427,000
population over 60 years of age 35,000

Affordable housing available:

Marietta High Rise (Housing Authority) 20 years old
102 units .... average vacancies 3 per year

Henderson Arms (private) 6 years old 150 units
average vacancies 10 per year

Smyrna Towers (private) 9 years old 150 units
average vacancies 5 per year

Total units 402 .... average vacancies per year 18

Two meetings were held between Mr. Arbuckle and Mr. Thompson

this will summerize those meetings:

Remarks: (Mr. Thompson)

(1) The Department of Housing and Urban Developement should be phased out by the year 2010.

There are no Federal funds available for low cost housing for the elderly. Housing Authorities now must work with private developers.

(2) Mr. Thompson and a developer surveyed the elderly residents of Henderson Arms to find out what they felt affordable housing should have or not have.

(3) Housing authorities and Developers must work through the guidelines of the " Georgia Residential Finance Authority" The Developer then recieves a 9% tax break, State & Federal

(4) The Marietta Housing Authority is ready to complete plans for the construction of three high rise units for the elderly 302 units in each building. To be completed in 3 phases. The Housing Authority will donate the land. on a ten year plan rents will be according to Housing Authority guidelines. average rent to be approx. $500.00 monthly, After ten years the Housing Authority has the option to purchase the buildings at 90% of their original constructon cost

PROBLEM: What percentage (how many) of the now 35,000 plus elderly in Cobb County are going to need or desire affordable housing ??

How many dependent elderly (living with friends or relations) will need affordable public housing ?

THE ATLANTA CONSTITUTION Monday, November 16, 1987

Senate set to approve major housing bill, triggering veto showdown with president

The New York Times

WASHINGTON — The Senate is poised to vote final approval of a major housing bill for the first time in seven years, setting the stage for a veto battle with President Reagan, who says the legislation is a budget-buster.

The bill, scheduled for a vote Tuesday, would set annual spending limits of roughly $15 billion in each of the next two years on various community development programs and housing assistance programs for the poor, the elderly and the handicapped.

But the White House Office of Management and Budget (OMB) has argued that the cost of the programs would be closer to $19 billion a year in the next two years and potentially a good deal more in future years.

"A good name for OMB would be the office of disinformation," said Sen. Alfonse D'Amato (R-N.Y.), a major sponsor of the housing bill. In a blistering attack on the Senate floor last week, D'Amato accused the budget office of "twisting the figures" and looking for ways to "sabatoge" programs the administration opposes. "The ideologues, OMB ... are not elected to run the country," he said.

A White House spokesman Sunday reaffirmed the president's intention to veto the bill in its current form because of its implications for the budget.

Beyond its ramifications for the budget, the housing bill symbolizes — perhaps more than any other legislation this year — the bitter conflict between ideological conservatives and more moderate politicians over what the federal government's role should be in providing social services to the disadvantaged.

> 'We designed this bill to be veto proof. We've cut back and back, got even the most conservative Republicans to vote for it, and now for OMB to say it's a budget-buster makes it crystal clear that OMB is out to kill any housing bill.'
>
> — **Rep. Charles Schumer (D-N.Y.)**

The fact that the legislation has made it this far reflects an important shift in the balance of power between Congress and the White House in the waning months of the Reagan administration.

The bill also reflects a growing recognition among lawmakers of both parties that the so-called social welfare safety net has developed gaping holes. Spending on housing assistance programs, which makes up about half the $15 billion authorized by the legislation, has shrunk 70 percent since 1981, while housing needs for the disadvantaged have risen dramatically.

In three of the six years that Republicans controlled the Senate before 1987, Democrats were unable even to bring a housing bill to the floor for consideration. With firm control now of both the Senate and the House of Representatives, Democratic leaders in Congress view the current housing bill as a stop-gap measure until they can begin work next year on an overhaul of federal housing assistance.

"The country is in desperate need of affordable housing for moderate and low-income people," Sen. Alan Cranston, the California Democrat sponsoring the legislation, said Sunday.

According to Gordon Cavanaugh, legislative counsel for the Council of Large Public Housing Authorities, a lobbying group for public housing authorities, at least one million families are on waiting lists for public housing. He and other housing experts have testified to Congress that 12 million more poor and low-income families are in need of some form of housing assistance.

He estimated that the housing bill at best would provide assistance, either through construction and rehabilitation of new units or payments to subsidize private rentals, for 75,000 to 80,000 additional families.

That estimate, however, would hold true only if congressional appropriations committees agree to supply the money for programs named in the housing bill. That decision hinges partly on the outcome of current negotiations between the White House and Congress on cutting the budget deficit.

The Senate is scheduled to vote Tuesday on the compromise version of the housing bill that emerged from a House-Senate conference earlier this month. The compromise was approved by the House last week on a 391-1 vote, a victory margin far greater than the two-thirds needed to override a presidential veto.

"We designed this bill to be veto proof," said Rep. Charles Schumer (D-N.Y.), who was on the conference panel. "We've cut back and back, got even the most conservative Republicans to vote for it, and now for OMB to say it's a budget-buster makes it crystal clear that OMB is out to kill any housing bill."

Nov. 18th

Housing measure hits major setback

Senate Republicans move to block bill after Reagan objects to cost

The New York Times

WASHINGTON — Senate Republicans on Tuesday delivered a surprising and potentially fatal blow to major housing legislation that was expected to be passed and sent to the president.

Using a parliamentary device that prevents consideration of legislation exceeding congressional budget targets, Republicans blocked approval of the measure, which would have been the first major housing bill in seven years. The action came after a renewed pledge by President Reagan to veto the measure, calling it too costly.

The bill, which would channel federal money to community development and housing assistance programs, was approved by the House last week 391-1. Senate sponsors of the bill hoped they would obtain 67 votes for passage Tuesday, thus guaranteeing the strength to override a veto.

Reagan urged Republican congressional leaders at a White House meeting Tuesday to sustain his veto, warning that the bill would add to the budget deficit while White House and congressional negotiators are working on reductions. White House spokesman Marlin Fitzwater said Reagan called the bill "bad legislation" that would send a "terrible signal" to the budget negotiators and financial markets.

Tuesday's action killed a compromise that had been worked out with the House over several months in a conference committee, leaving the bill in legislative limbo. Senate opponents led by William Armstrong (R-Colo.) plan to fashion their own version of the bill soon, deleting portions they found objectionable. Senate Democrats also will try to write a bill Republicans can support. If the Senate passes a bill, it must return to the House, where lawmakers could accept it or demand a conference to work out a compromise.

With time running short, both sides agree, there is little likelihood of passing such a law this session.

"Our position is that we are determined to get a responsible housing bill this year," a senior aide to Sen. Alan Cranston (D-Calif.) said. "We are not giving up."

Armstrong acknowledged that some senators who voted to block the bill Tuesday on the parlimentary technicality probably would support the bill.

Ron Arbuckle
212 Lemon St. # 805
Marietta, Georgia 30060

November 12, 1987

Mr. Tom Marchant
U.S. Dept. of Housing & Urban Development
Richard Russell Bldg.
Atlanta, Georgia,

Dear Tom,

Thank you again for appearing at our meeting and relating to our group the programs of Housing and Urban Development. We appreciate your coming before us.

I would appreciate your answers to the following:

(1) How many units of new construction for federally subsidized housing are currently available this fiscal year?

Do you expect this number to remain stabilized or to be reduced each year ?

(2) It is the desire of the Presidents commission on Privatization that the Government should not build or repair any more Public Housing. Does your office expect to see this materialize ? If so - how soon ?

(3) If I were a Housing Director (anywhere) owned the land, and could meet all rules, regulations and criteria, what are my chances to obtain approval for a 300 unit High Rise ? Would the fact that my over 60 population was growing at 37% while my general population was only increasing at 21% and my over 60 population was 12 % of my total population have any bearing ?

Thank you for your assistance.

Sincerely,

Ron Arbuckle

Ron Arbuckle, Chairperson
Aging Services Advisory Group
Atlanta Regional Commission

U.S. Department of Housing and Urban Development
Atlanta Regional Office, Region IV
Richard B Russell Federal Building
75 Spring Street, S.W.
Atlanta, Georgia 30303-3388

Mr. Ron Arbuckle
212 Lemon Street
Apartment 805
Marietta, GA 30060

Dear Mr. Arbuckle:

In response to your letter dated November 12, 1987, in which you set forth a series of questions concerning the Department of Housing and Urban Development's (HUD) Public Housing Development Program, we are providing the following answers to your questions in the order presented:

1. Since Congress has passed neither a Housing Bill nor a HUD Appropriations Act, we do not know at this time how many units of public housing will be available in Fiscal Year 1988, nor can we predict with any certainty the level of public housing development funding in future fiscal years.

2. Again, without a Housing Bill or Appropriations Act, it is difficult to speculate on future funding for new construction and/or rehabilitation of public housing units.

3. For the past several years, the HUD Appropriations Act has required that priority be given to funding large-family public housing projects (three or more bedrooms). Therefore, prior to approving any small-family (less than three bedrooms) or elderly projects, HUD required that a determination be made that the community in which the project is to be located has no need for housing containing three or more bedrooms. As a result, very few applications for elderly or small-family public housing development projects have been approved. It should also be noted, that in order to share limited resources throughout the eight states in HUD Region IV, we have limited the number of units approved in any one public housing development application to 50.

I hope these answers to your questions are helpful and appreciate your interest in HUD's Public Housing Development Program.

Sincerely,

Tom M Marchant

Thomas M. Marchant, III
Special Assistant to
Regional Administrator

OLDER WOMEN'S LEAGUE
METRO ATLANTA CHAPTER

June 10, 1989

To: Senate Hearing on Housing
Senator Wyche Fowler

Thank you for the opportunity to speak today on the housing needs of the elderly population in Metro Atlanta. I represent the Older Women's League of Metro Atlanta, a National Organization concerned with the many problems women face as they age. Housing is one of the major problems now and in the future.

We are outraged at the reports coming out of the Washington Office of HUD Secretary Jack Kemp, and at the cancellation of needed projects for the elderly. The elderly are being punished for the inefficient government agencies and poor monitoring by the administration. We wonder if this is the newest method the administration is using to eliminate much needed programs for the poor and elderly.

The Atlanta Region alone includes more than a quarter of a million women age 45 and older. Of these, 175,000 are between the ages of 45 tO 60, and 120,000 are over 60 years of age. Mid-life and older women constitute the fastest segment of our states population. The growth of the female population is drmatic. This has staggering implications for the services that will be needed, including Health Care and Housing.

According to statistics from the 1980 census, nearly 60% of the regions older population live in a family setting, as either householders or spouse of a householder. An additional 11% live with relatives other than a spouse. About 3% of the regions older population lives in a household with non-relatives. Approximately 3.5% live in institutions such as nursing homes, mental hospitals or in personal care homes or boarding homes. Of those in nursing homes, etc., 75% are women. Of the institutionalized,74% were aged 75 or over. 23% of all older persons live alone, and of this group 85% are women. 38% of all older women live alone---having been widowed or divorced, or single with no family around. Of these women who maintain their own households, twice as many are likely

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to live in poverty as are their male counterparts. Of the black woman living alone in Atlanta in 1980, 77 % had incomes below the poverty level.

The Georgis Department of Human Resources has committed itself to independence for older Georgians. Housing is key to this goal. With the federal cuts in housing construction for the past eight years, and the newest directives from Secretary Jack Kemp on housing for the elderly, the problem we face is a grave one.
Housing is a major variable, physically, socially and psychologically in the lives of older persons. Housing represents a large part of the quality of ones life. Housing for most elderly is a bread and butter issue. Older persons should live free from fear, and should not be denied the right to choose where and how they want to live. Many wish to age in place, to spend their later years in homes and in neighborhoods where they lived for many years. We are deeply upset by the number of older women in Atlanta murdered in their own homes. For many older persons, housing needs change, sometimes drastically. Our families are grown; our health is impaired, our retirement incomes are lowered; or we are widowed or divorced. We are alone for the first time since our youth. For many of us, the high cost of housing has become a fight for survival. Some fortunate couples or widowed elderly may own their own homes with no mortages. But high property taxes, high heating and maintenance costs, and many repairs needed, makes it difficult to maintain or remain in the home. Many women, especially minority women are forced to remain in substandard houses. High rentals in areas familiar to the elderly makes its prohibitive for women to sell their homes. Continuous rent increases takes too high a bite of our fixed income. Many elderly renters pay 50% of their income for rent, when money is needed for health care, food and clothing. Affordable housing is an unrealistic goal for many older women.

We have begun to see some changes in the housing market in Atlanta with the advent of retirement communities, and some group homes. The alternatives that exist are too costly, and only a handful of older persons can afford them. Of the luxury highrises built for the elderly, very few if any have been able to rent or sell the apartments available. Builders must have believed the myth that elderly are an affluent group. Most older persons cannot afford to buy the high priced condos or buy into a life care development, or continue paying higher taxes on homes. Some women buying into life care developments have had bad experiences and found themselves in situations they could not afford. For the large percentage of the elderly, especially women alone, some form of subsidized housing is the only way they can maintain their own households. 44%of the occupants in federally subsidized housing are older persons. Housing that still needs to be safe, free from drugs and crime. We need more affordable housing for middle income and the poor elderly.

Older persons should be involved in planning the housing so as to plan for a life style suited to the unique needs of the second half of our lives. Planning for and not with the older person will not solve the situation. WE NEED ALTERNATIVES.

I'd like to emphasis the needs in housing for the Atlanta area.

1. We need to increase the quality and quantity of housing alternatives using the experiences in other parts of the country.
2. Federal, State, and County subzidized housing must continue to be built.
3. We need to correct immediately the deficiencies in federal and state housing units occupied by older persons and improve the conditions to make them secure for the older person. Often women living alone bolt the door and are fearful of leaving the apartment.
4. Funding to support innovative housing demonstration projects that middle income and poor minorities can afford.
5. Increase inspection and licensing of personal care homes. Increase home safety inspections.
6. Use federal and State funds to encouarge non-profit groups, unions to build low cost housing.
7. Monitor the Section 8 subsidized housing so that more persons can take full advantage of the rent subsidies.
8. Explore with private enterprise a system whereby older persons can remain in an apartment without huge yearly rent increases. Post Apartments has already offered to their older tenants a 2 year lease with a small or no increase in rent. Older persons make good tenants.
9. Tax incentives to families who maintain older relatives in a home setting.
10. An educational campaign to help the elderly understand their

housing needs and alternatives and to make plans for future housing needs.

We realize the tremendous job ahead. But priorities must be set, and planning must begin.

Thank you once again for the opportunity to testify today.

Alternative Housing: Some suggestions

Shared housing   Cooperative Housing
Echo Housing (houses built on the same lot of an existing house)
zoning regulations need to be met and changed
Granny Flats   Accessory apartments